

Remuneration Report

Remuneration Committee

The Remuneration Committee is responsible for the broad policy governing senior employees' pay and remuneration. It sets the actual levels of all elements of the remuneration of all Executive Directors of the Company. The Committee also oversees the administration of Savills' employee share schemes and determines the level of fees for the Chairman of the Board. The Committee's terms of reference are available at www.savills.com

The Committee aims to ensure that senior employees (including Executive Directors of the Company) are rewarded for their contribution to Savills and are motivated to enhance returns to shareholders.

It advises the Board on the remuneration framework and policy for such senior executives and, once formally endorsed by the full Board, it applies the policy. The composition of the Committee is detailed on pages 32 and 33.

Remuneration policy

It is essential that the Group provides remuneration packages which attract, retain and motivate Executive Directors and employees of the highest quality. Benefit packages awarded to Executive Directors are structured to provide a competitive mix of performance and non-performance related remuneration. The arrangements are reviewed on a regular basis. In setting the remuneration of the Executive Directors the Committee is able to consider corporate performance on environmental, social and governance issues. In designing the reward packages for the Executive Directors, the Committee has looked to ensure that these do not raise environmental, social or governance risks.

Following the decision of Aubrey Adams to retire as Group Chief Executive, the Board, through its Nomination Committee, conducted a rigorous selection process with the assistance of specialist recruitment consultants, which identified Jeremy Helsby as the most suitable candidate for the role of Group Chief Executive. His remuneration arrangements were determined following an extensive review carried out by the Committee with the assistance of Towers Perrin.

Base salary

Savills' business philosophy is founded on the premise that employees should be motivated through highly incentive-based (and therefore variable) remuneration packages. Salaries for fee-earners, particularly more senior ones, are generally below market averages for similar businesses and a greater emphasis is placed on the performance related bonus of either profit share or commission in the total remuneration package. These lower salary levels help to limit related costs (e.g. pension) and also have the effect of reducing the fixed element of the business cost base. For support staff, salaries are generally set closer to market levels. Salaries are reviewed annually (although not necessarily increased) by each operating subsidiary for all employees. The salaries of the Executive Directors were not increased with effect from 1 January 2009.

Performance related bonus

In general, each operating subsidiary has a fee-earner discretionary bonus scheme where the annual bonus pool available for distribution is directly related to the profit of that subsidiary after charging all costs (pre-bonus) including central overheads and finance charges. In the main, the bonus pool for each subsidiary company is generated by a formula. In the UK and Europe, the amounts available for distribution within these bonus pools are calculated in bands between 30% of the pre-tax and pre-bonus profits through to 65% for excellent performance, based on the achievement of predetermined thresholds. These bands are reviewed regularly. Awards to fee-earning employees are assessed by reference to fee earning achievements, the profitability of the individual's area of responsibility, contribution to business development and managerial responsibilities.

Awards to support staff are assessed according to the performance of the individual and related to both salary and market levels.

Similar arrangements are in place in the US and Asia Pacific, tailored to the particular requirements of each individual market.

A portion of the bonus of senior employees and Executive Directors may be deferred for a period of not less than three years and awarded in shares under the Savills Deferred Share Bonus Plan, details of which can be found on page 46.

Senior employees and Executive Directors may participate in the Savills Deferred Share Bonus Plan, the Savills Executive Share Option Scheme (2001), the Savills Share Incentive Plan and the Savills Sharesave Scheme; details of which are given on pages 46 and 47. Senior employees and Executive Directors were also eligible to participate in the Savills plc 1992 Executive Share Option Scheme (the ESOP). This scheme reached the end of its 10 year lifespan in 2002, and no further options can be granted under it. Details of any awards made to Executive Directors under these schemes are given on pages 48 to 50.

Senior employees, excluding the Executive Directors, may also participate in the Savills Deferred Share Plan, details of which are given on page 46.

Executive salary and bonus

The salary and bonus arrangements of the Executive Directors are structured by reference to their primary role within the Group. The base salaries for all Executive Directors are set at levels which are significantly below market averages. The bonuses for Executive Directors in respect of the 2008 financial year were determined as follows:

Jeremy Helsby – in May 2008 following his appointment as Group Chief Executive (prior to which he was Group Chief Executive Designate) the Committee, with advice from Towers Perrin, put in place new bonus arrangements for Jeremy Helsby effective 1 January 2008. His bonus now reflects, firstly, the Group's financial performance and secondly an objectives-based element reflecting his performance/contribution during the course of the relevant year measured against criteria pre-set by the Committee. His maximum bonus potential is £2m in any year. Part of the bonus is delivered in the form of deferred shares with the proportion that is delivered in the form of shares increasing as bonus increases. For the 2008 financial year, no bonus was paid to Jeremy Helsby in respect of Group financial performance as this was below the threshold determined by the Committee. The objectives-based bonus awarded to him reflects his success in taking over the role of Group Chief Executive and in particular in taking early action to re-shape the Group and reduce its cost base significantly to position it for the challenging markets in which we are now operating.

Simon Hope (Head of Capital Markets) – bonus was earned based on his fee-earning activities and contribution to the profit of the UK Commercial business and in relation to his contribution to the overall growth and performance of the business and to the development of Cordea Savills. Part of the bonus awarded was paid in deferred shares.

Robert McKellar (Chief Executive, Asia Pacific) – bonus was earned based on the profitability of the Asia Pacific business. Part of his bonus was paid in deferred shares. His base salary is higher than those paid to the UK Executive Directors in recognition of the higher costs arising from his appointment to the Asia Pacific business.

Rupert Sebag-Montefiore (Chairman, Savills (L&P) Limited) – bonus was earned based on the profitability of Savills (L&P) Limited. Part of the bonus was paid in deferred shares.

Mark Dearsley (Group Finance Director until 13 February 2009) received no bonus in respect of the 2008 financial year.

For the four months up to his retirement on 7 May 2008, Aubrey Adams' salary and bonus were set in October 2007 as a proportion of his 2007 earnings.

With effect from 1 January 2009, the Committee has restructured the bonus arrangements of Simon Hope, Robert McKellar and Rupert Sebag-Montefiore so that these follow the principles of the arrangements implemented for Jeremy Helsby in 2008. For Robert McKellar and Rupert Sebag-Montefiore bonus will reflect, firstly, the financial performance of the business for which they have responsibility; secondly, their performances/contributions during the relevant year measured against objectives pre-set by the Committee; and, thirdly, overall Group performance. For Simon Hope, bonus will reflect, firstly, his fee-earning activities and contribution to the profit of the UK Commercial business and the financial performance of the European and US businesses, secondly, his performance/contribution during the relevant year measured against objectives pre-set by the Committee; and, thirdly, overall Group performance.

Bonus for the new Group Chief Financial Officer will, consistent with Jeremy Helsby's arrangements, reflect, firstly, the financial performance of the Group; and, secondly his performance measured against objectives pre-set by the Committee.

It is intended that these new arrangements will apply for the 2009, 2010 and 2011 financial years. Under all these revised arrangements at least 75% of bonus potential is linked to the financial performance of a business stream and/or the Group. The balance will reflect the individual Director's achievement of pre-set objectives. Maximum bonus potential is capped in respect of any financial year and at the higher levels of bonus up to 30% of any award will be paid in deferred shares. Maximum bonus will only accrue for exceptional performance.

The Board accepted the recommendations of the Remuneration Committee on Executive Directors' remuneration for the financial year ended 31 December 2008.

The remuneration package for each of the Directors is shown on page 44. The bonus entitlements shown were subject to the above performance criteria.

Analysis of Directors' remuneration (audited)

	Salary/fees		Bonus	Benefits	Employer pension contribution (including final salary, GPP and bonus waived)		Total
	Year to 31 December 2008 £	Year to 31 December 2008 Cash £	Year to 31 December 2008 Deferred* £	Year to 31 December 2008 £	Year to 31 December 2008 £	Year to 31 December 2008 £	Year to 31 December 2007 £
Executive Directors							
Jeremy Helsby	195,000	340,000	210,000	10,343	25,347	780,690	1,456,945
Simon Hope	105,000	102,000	150,000	10,343	232,890**	600,233	1,027,362
Robert McKellar	236,447	400,000	75,000	–	–	711,447	1,025,385
Rupert Sebag-Montefiore	100,000	300,000	30,000	10,272	23,800	464,072	1,397,655
Former Executive Directors							
Aubrey Adams (retired 7 May 2008)	38,750	349,726	–	4,272	–	392,748	1,120,226
Mark Dearsley (resigned 13 February 2009)	350,000	–	–	9,866	–	359,866	390,008
Non-Executive Directors							
Martin Angle	36,250	–	–	–	–	36,250	32,382
Timothy Ingram***	36,250	–	–	–	–	36,250	32,500
Charles McVeigh (Chairman – Remuneration Committee)****	42,500	–	–	–	–	42,500	37,500
Peter Smith	190,000	–	–	–	–	190,000	150,000
Fields Wicker-Miurin (Chairman – Audit Committee)****	42,500	–	–	–	–	42,500	37,500

* For details of the Deferred Share Bonus Plan please refer to page 46.

** This includes £198,000 bonus waived which will be paid by the Company directly into a separate pension arrangement for his benefit.

*** Payment made via Caledonia Investments plc where he is Chief Executive.

**** The Chairmen of the Audit and Remuneration Committees each receive £7,500 for undertaking these additional responsibilities (this amount was increased with effect from 1 July 2008 from £5,000).

Included in the cash bonus figures for 2008 for Jeremy Helsby and Aubrey Adams are amounts of £10,000 and £230,000 which were waived in favour of contributions to registered charities by their employing company (2007: Aubrey Adams, Jeremy Helsby and Rupert Sebag-Montefiore waived £260,000, £27,000, and £30,000 respectively).

Benefits

Executive Directors and senior employees are provided with a company car (or car allowance) and they and their immediate families are members of the Savills Group's private medical or hospital insurance schemes.

Advice

During the year Towers Perrin advised the Committee on appropriate salary and incentive arrangements for the Executive Directors. The Group received no other services from Towers Perrin. The Committee was also advised and supported by the Group Company Secretary.

External directorships

The Executive Directors are allowed to accept external non-executive directorships, subject to approval by the Board and any conditions that it might impose. For non-executive directorships which are considered to arise by virtue of an Executive Director's position within Savills, the fees are paid directly to Savills. Until his retirement as a Director and Group Chief Executive, Aubrey Adams was paid (and retained) £9,750 for acting as a non-executive director of Unitech Corporate Parks Plc and £5,000 for acting as non-executive chairman of Air Partner Plc. During 2008 Rupert Sebag-Montefiore was paid £24,999 (of which he retained £16,666) for acting as non-executive chairman of Fastcrop Plc and, from 26 September 2008, non-executive chairman of the non-statutory board of its successor vehicle, The Digital Property Group.

Non-executive directors' remuneration

The fees for the Chairman are determined by the Remuneration Committee.

The fees for the other Non-Executive Directors are set by the Board, excluding these Non-Executive Directors, within the limits set in the Company's Articles of Association. The Non-Executive Directors do not receive any share options, bonuses or any other performance related payments nor do they receive any pension entitlement. As reported in the Group's 2007 accounts, the fees payable to the Non-Executive Directors, having not been increased since June 2006, were, following review of market practice, increased in 2007 to £40,000 p.a. effective 1 July 2008.

Consistent with the cost savings initiatives which are being progressed across the Group, Peter Smith's annual fee as Chairman has been agreed at a reduced rate of £150,000 p.a. (2008: £190,000) effective 1 January 2009.

Pension

Three Executive Directors (Jeremy Helsby, Simon Hope and Rupert Sebag-Montefiore) participated in the Savills Pension Plan (the Plan) for defined benefit pension benefits during the year. The Plan is a contributory defined benefit scheme which provides a pension based on final base salary and length of service. In addition to the Company's contribution, members contributed 7% of salary during the year ended 31 December 2008.

Only base salary is pensionable (in the case of Jeremy Helsby currently capped at £107,000 p.a.). The current normal retirement age under the Plan is 60 although as a result of Age Discrimination legislation the Company's normal retirement age has increased to 65. The Plan closed to new entrants for pension benefits in 2000 but continues to operate for existing members.

The Company also operates a defined contribution pension plan.

The Company makes contributions for Robert McKellar to a Mandatory Provident Fund in Hong Kong and during the year contributed £7,696.

Pensions disclosure (audited)

	Increase in accrued pension during the year in excess of inflation ¹		Transfer value of the increase less Director's contributions ¹		Accumulated total accrued pension at the end of the year ²		Total increase in accrued pension during the year ²		Transfer value of total pension at start and end of the year ³		Increase in transfer value over the year, less Director's contributions ⁴	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007	31 December 2008	31 December 2007	31 December 2008	31 December 2007	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Executive Directors	£	£	£	£	£	£	£	£	£	£	£	£
Jeremy Helsby	416	2,195	(6,049)	25,267	46,813	44,188	2,625	3,771	810,492	646,382	156,655	51,478
Simon Hope	503	1,993	(6,472)	13,271	26,688	24,938	1,750	2,854	324,986	253,709	63,927	20,818
Rupert Sebag-Montefiore	(479)	58	(20,573)	(6,099)	44,583	42,917	1,667	1,667	800,874	657,043	136,831	22,401

- Notes
- The table shows the increase in accrued pension during the year, excluding any increase for inflation. The transfer value of this increase in pension is also shown, less the contributions made by the Director during the year.
 - The accumulated accrued pension entitlement shown is that which would be paid annually on retirement based on service to the year-end. The actual increase in pension over the year is also shown (with no allowance for the increase in inflation).
 - The transfer value of the total pension accrued at the year-end, determined at the year-end is set out along with the comparative amounts at the end of the previous year.
 - The increase in the amount of this transfer value, less the contributions made by the Director during the period, has also been determined.

The transfer value represents the amount payable by the pension plan should the Director transfer his pension rights to another provider. All transfer values quoted are calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note 11 (GN11).

Share related incentives Directors' Deferred Share Bonuses and Option Schemes

The Association of British Insurers (ABI) emphasises in its guidelines the importance of performance-based remuneration arrangements being clearly aligned to business strategy and objectives. The ABI expects Remuneration Committees to carry out regular reviews of existing share incentive schemes in order to ensure their continued effectiveness and compliance with best practice and contribution to shareholder value.

The Remuneration Committee keeps Savills' employee share schemes under review to ensure that the above principles are adhered to and, consistent with this, certain changes were introduced to the existing share incentive plans following consultation with the ABI and the Research, Recommendations and Electronic Voting service (RREV now known as Riskmetrics Group) in 2006–2007 (details of the changes are contained in the relevant sections below).

The Savills Deferred Share Bonus Plan (the DSBP) and The Savills Deferred Share Plan (the DSP)

The DSBP was adopted by the Board on the recommendation of the Remuneration Committee in 2001. It provides for the award of conditional rights to acquire Savills shares based on performance achievements measured over the immediately preceding financial year. The performance targets are specific to each individual and either relate to Group thresholds, subsidiary company targets or a combination of both. In order to support retention of key fee-earners, a proportion of bonuses decided by the Remuneration Committee are required to be taken in the form of deferred shares. The DSBP remains closely aligned to Savills' successful executive remuneration strategy, which is to include a meaningful performance related pay element and to control the level of base annual salaries at senior levels significantly below market comparables. The deferred element provides an added incentive in the form of potential share price growth over the deferred period together with an important retention aspect in that awards normally lapse in the event of executives leaving service before the vesting date.

Awards of deferred shares normally vest after a deferred period of not less than three years although a longer deferred period may apply. The shares are subject to forfeiture if the executive leaves service prior to the vesting date other than in defined 'good leaver' situations (e.g. redundancy, ill-health, etc.). The shares are acquired by purchase in the market through an independent employee benefit trust (the EBT) with funds provided by the relevant employing company. There are no powers to issue new shares (or to reissue existing treasury shares) under either the DSBP or the EBT and therefore there is no dilution of existing shareholdings. The EBT can hold up to 15% of the Company's issued share capital. This limit was agreed after full consultation with institutional shareholders in 2002–2003 and approved by ordinary resolution of shareholders at the AGM in 2003. The Rules of the DSBP can be amended by the Board and, on 31 January 2006 the Board, on the recommendation of the Remuneration Committee, considered and implemented the following changes:

- the original deferred period (vesting date) of five years under the DSBP was considered to be out of line with market practice where the large majority of plans operate on the basis of a three year vesting date. In accordance with the amendment provisions, therefore, the DSBP was altered to provide for a vesting date of not less than three years from the date of an award. For awards made from 2006 onwards, the vesting date (to be determined prior to the date of any award) can be any period of not less than three years but could be longer (e.g. five years).
- for awards made from 2006 onwards, the number of shares awarded will be increased on the vesting date to reflect final and interim dividends paid to ordinary shareholders throughout the deferred period.

In summary, the combination of a bonus award system which is highly geared to reward performance together with a deferred element in the form of Savills' shares provides a key element in Savills' remuneration strategy both as an incentive and as a retention tool.

The DSP provides for the grant of awards of deferred shares which normally vest not earlier than three years from the award date (the deferred period may be longer). The DSP provides the scope for the Board to make such awards to key executives where the Board considers that there are particular business reasons, in the interests of the Company, for applying a retention element to remuneration (for example on the acquisition of a business). Awards under the DSP are forfeited if the executive leaves the employment of the Group before the end of the deferred period (other than in defined 'good leaver' situations such as redundancy or ill-health). The shares required to satisfy DSP awards are funded through the EBT in the same manner as DSBP awards are funded (see paragraph two of the previous section) and there are no powers to issue new shares or to reissue existing treasury shares under the DSP and therefore there is no dilution of existing shareholdings. The Executive Directors are not eligible to receive awards under the DSP.

Group Executive Share Option Schemes, Sharesave Scheme and Share Incentive Plan

The Savills Executive Share Option Scheme (2001 Scheme)

The 2001 Scheme was authorised by shareholders at the AGM in 2001 and comprises a scheme approved by HM Revenue and Customs (HMRC) and an unapproved schedule. Options granted under the 2001 Scheme are normally exercisable not earlier than three years following the date of grant and not later than ten years from the date of grant (with exceptions for 'good leavers'). Grants are normally made annually on a phased basis and the exercise of options is subject to the achievement of a performance target related to the increase in the Company's earnings per share compared to a stated percentage above inflation over a fixed three year period. The ability to re-measure performance over a later period if not met within the initial three year period was removed in 2004 subject to one transitional grant whereby the performance could, if necessary, be re-measured over an extended period of four years. Options are currently satisfied by the issue of new shares within the ABI's dilution limits.

The performance target that applies to options granted between 2001 and 2005 requires that the Company's earnings per share must increase over the period of three consecutive financial years by an average of at least 3% p.a. above inflation (as measured by the Retail Prices Index (all items) (RPI)). Following consultation with the ABI and RREV, the Board, on the recommendation of the Remuneration Committee, decided that grants of options from 2006 onwards would be subject to a tiered approach whereby, in respect of any grant, the first one-third of the number of shares under option is subject to the above RPI + 3% p.a. target with an escalating performance requirement in respect of the remaining two-thirds as follows:

Second one-third of the number of shares
– RPI + 4% p.a.

Final one-third of the number of shares
– RPI + 5% p.a.

Savills plc 1992 Executive Share Option Scheme (the ESOP)

The ESOP expired on 23 May 2001; no further grants will be made under this scheme and all outstanding options were exercised during the year. Under the ESOP, participants were granted options to purchase shares, exercisable in normal circumstances between five and seven years after grant. The ESOP was operated in conjunction with the EBT. Grants were made by the Trustee of the EBT on the recommendation of the Board on a phased basis, having regard to an individual's performance and his/her anticipated contribution to the Group. Recommendations in respect of grants to Executive Directors were made by the Remuneration Committee.

The Savills Sharesave Scheme (the Sharesave Scheme)

Executive Directors are eligible to participate in the Sharesave Scheme, which is an HMRC approved scheme open to all employees of nominated participating companies who have a minimum of three months' service at the date of invitation. The Sharesave Scheme was adopted by shareholders in 1998 with a ten-year life. At the 2008 Annual General Meeting shareholders approved the replacement of the scheme with a new updated scheme to be known as the Savills Sharesave Scheme (2008). Rights granted under the expiring scheme remain fully protected. The Sharesave Scheme is linked to a monthly savings contract and options are granted at a maximum 20% discount to market price. The most recent invitation was limited to three year savings contracts, although the rules currently allow three or five year savings contracts to be offered.

The Savills Share Incentive Plan (SIP)

At the Annual General Meeting on 7 May 2003, shareholders approved the introduction of the SIP. This is a share purchase plan approved by HMRC available to all employees including the Executive Directors. The scheme is aimed at encouraging employee share ownership and an interest in the Company's performance. Employees invest in Savills plc shares by making contributions from their gross salary subject to a current statutory annual limit of £1,500 (£125 per month). If the shares are held in the Plan for five years no income tax or NICs are payable. The scheme was launched in May 2004. There are other elements of the SIP authorised by shareholders but it is not the present intention to offer these elements.

Ordinary shares (audited)

Interests in the share capital of the Company beneficially held by the Directors as at 31 December 2008 are detailed below:

	31 December 2008	31 December 2007 Restated
Martin Angle	–	–
Mark Dearsley	–	–
Jeremy Helsby	604,849	519,152
Simon Hope	87,702	149,402
Timothy Ingram	24,000	24,000
Robert McKellar	132,048	132,048
Charles McVeigh	–	–
Rupert Sebag-Montefiore	263,439	236,075
Peter Smith	20,000	20,000
Fields Wicker-Miurin	1,360	1,360

* Robert McKellar's shareholding as at 31 December 2007 was overstated by 10,670 shares due to a technical error in the recalculation of his shareholding following the share sub-division in May 2006.

It is the Board's policy that each Executive Director should aim to hold at least 105,000 shares in the Company (except for the Group Chief Executive who should own at least 150,000 shares). Above these limits the Board takes the view that the Directors may retain or sell shares as they see fit.

Savills plc 1992 Executive Share Option Scheme (ESOP) (audited)

	Number of shares							
	At 31 December 2007	Exercised during year	At 31 December 2008	Exercise price per share	Market value at date of exercise	Date from which exercisable	Expiry date	
Directors								
Jeremy Helsby	100,000	100,000	–	nil	362p	06.04.06	06.04.08	

The Savills Sharesave Scheme (audited)

	Number of shares							
	At 31 December 2007	Granted during year	Exercised during year	Lapsed during year	At 31 December 2008	Market price on date of exercise	Exercise price per share	Exercisable within six months from
Directors								
Jeremy Helsby	1,098	–	–	–	1,098	–	510.5p	01.07.09
Simon Hope	3,018	–	–	–	3,018	–	318.0p	01.12.10
Rupert Sebag-Montefiore	3,018	–	–	–	3,018	–	318.0p	01.12.10

The Savills Executive Share Option Scheme (2001) (audited)

Directors	At		Approved/ Unapproved	Exercised during year	Number of shares		Market price on date of exercise	Exercise price per share	Date normally first exercisable	Expiry date
	31 December 2007	Granted during year			At 31 December 2008*					
Aubrey Adams	9,338	–	Approved	–	9,338	–	321.25p	14.03.08	14.03.15*	
	23,662	–	Unapproved	–	23,662	–	321.25p	14.03.08	14.03.15*	
	20,000	–	Unapproved	–	20,000	–	596p	13.03.09	13.03.16*	
Mark Dearsley	–	9,995	Approved	–	9,995	–	300.125p	16.04.11	16.04.18**	
	–	26,671	Unapproved	–	26,671	–	300.125p	16.04.11	16.04.18**	
Jeremy Helsby	9,338	–	Approved	–	9,338	–	321.25p	14.03.08	14.03.15	
	23,662	–	Unapproved	–	23,662	–	321.25p	14.03.08	14.03.15	
	20,000	–	Unapproved	–	20,000	–	596p	13.03.09	13.03.16	
	–	50,000	Unapproved	–	50,000	–	300.125p	16.04.11	16.04.18	
Simon Hope	9,338	–	Approved	–	9,338	–	321.25p	14.03.08	14.03.15	
	22,662	–	Unapproved	–	22,662	–	321.25p	14.03.08	14.03.15	
	20,000	–	Unapproved	–	20,000	–	596p	13.03.09	13.03.16	
	–	36,666	Unapproved	–	36,666	–	300.125p	16.04.11	16.04.18	
Robert McKellar	9,338	–	Approved	–	9,338	–	321.25p	14.03.08	14.03.15	
	20,662	–	Unapproved	–	20,662	–	321.25p	14.03.08	14.03.15	
	20,000	–	Unapproved	–	20,000	–	596p	13.03.09	13.03.16	
	–	36,666	Unapproved	–	36,666	–	300.125p	16.04.11	16.04.18	
Rupert Sebag-Montefiore	46,000	–	Unapproved	–	46,000	–	217.75p	30.03.07	30.03.14	
	9,338	–	Approved	–	9,338	–	321.25p	14.03.08	14.03.15	
	23,662	–	Unapproved	–	23,662	–	321.25p	14.03.08	14.03.15	
	20,000	–	Unapproved	–	20,000	–	596p	13.03.09	13.03.16	
	–	36,666	Unapproved	–	36,666	–	300.125p	16.04.11	16.04.18	

* Outstanding options for Aubrey Adams are detailed as at his date of retirement, 7 May 2008. In accordance with the Rules of the Scheme, the option granted to him on 14 March 2005 with an exercise price of 321.25p per share lapsed on 7 November 2008. The option granted to him on 13 March 2006 at an exercise price per share of 596p will lapse, in accordance with the Scheme rules on 13 September 2009.

** The options held by Mark Dearsley subsequently lapsed on 13 February 2009, the date of his resignation.

The Savills Deferred Share Bonus Plan (DSBP) (audited)

Directors	Number of shares				Closing mid-market price of a Savills plc share the day before grant*	Market value at date of vesting	Normal vesting date
	At 31 December 2007	Awarded during year	Vested during year	At 31 December 2008			
Aubrey Adams	16,778	–	–	16,778**	596p	–	13.03.09
Jeremy Helsby	45,454	–	45,454	–	137.5p	334.5p	14.03.08
	17,350	–	–	17,350	426.5p	–	15.03.09
	11,284	–	–	11,284	642.5p	–	14.03.10
	18,456	–	–	18,456	596.0p	–	13.03.09
	26,676	–	–	26,676	656.0p	–	19.03.10
	–	60,929	–	60,929	328.25p	–	17.03.11
Simon Hope	27,272	–	27,272	–	137.5p	334.5p	14.03.08
	38,804	–	–	38,804	426.5p	–	15.03.09
	113,618	–	–	113,618	642.5p	–	14.03.10
	35,234	–	–	35,234	596.0p	–	13.03.09
	57,164	–	–	57,164	656.0p	–	19.03.10
	–	45,696	–	45,696	328.25p	–	17.03.11
Robert McKellar	36,362	–	36,362	–	137.5p	334.5p	14.03.08
	11,722	–	–	11,722	426.5p	–	15.03.09
	15,564	–	–	15,564	642.5p	–	14.03.10
	8,388	–	–	8,388	596.0p	–	13.03.09
	11,432	–	–	11,432	656.0p	–	19.03.10
	–	30,464	–	30,464	328.25p	–	17.03.11
Rupert Sebag-Montefiore	45,454	–	45,454	–	137.5p	334.5p	14.03.08
	17,350	–	–	17,350	426.5p	–	15.03.09
	25,166	–	–	25,166	596.0p	–	13.03.09
	30,487	–	–	30,487	656.0p	–	19.03.10
	–	60,929	–	60,929	328.25p	334.5p	17.03.11

* Mid-market prices for awards prior to 2007 have not been adjusted to account for the 2:1 share subdivision on 11 May 2007.

** The outstanding award for Aubrey Adams is detailed as at his date of retirement, 7 May 2008. Since his retirement the award has vested in accordance with the Plan rules.

The ESOP expired on 23 May 2001 and no further grants were made under this scheme during the year. No Directors' share options under the Executive Share Option Scheme (2001) were exercised during the year and 154,542 shares under the DSBP vested during the year. No Directors' share options/awards under the ESOP, the Executive Share Option Scheme (2001) or DSBP lapsed. The mid-market price of the shares at 31 December 2008 was 223.75p and the range during the year was 174.5p to 366.75p.

Directors' service contracts

The Executive Directors, except for the Group Chief Executive and Group Chief Financial Officer, are appointed as Directors for an initial period of three years. These appointments can be terminated by the Company at will at any time during this initial period. These appointments may be renewed for subsequent terms. Each Executive Director, except for the Group Chief Executive and Group Chief Financial Officer, also benefits from an employment contract with the relevant group subsidiary which can be terminated by the relevant company on provision of six months' notice. The Group Chief Executive and Group Chief Financial Officer both have service agreements with Savills plc. These agreements can be terminated by the Company on provision of 12 months' notice. The Chairman's letter of engagement allows for six months' notice. Other Non-Executive Directors are appointed for an initial period of three years. These appointments may also be renewed for subsequent terms. Details are as follows:

	Date appointed to Board	Date resigned from the Board	End date of current letter of appointment	Notice period
Martin Angle	2 January 2007		1 January 2010	Terminable at will
Mark Dearsley	3 September 2007	13 February 2009	n/a	n/a
Jeremy Helsby	1 May 1999		n/a	12 months
Simon Hope	1 May 1999		4 May 2011	Terminable at will
Timothy Ingram	27 June 2002		26 June 2011	Terminable at will
Robert McKellar	1 June 2000		31 May 2009**	6 months
Charles McVeigh	1 August 2000		31 July 2009**	Terminable at will
Rupert Sebag-Montefiore	31 May 1995		25 October 2010	Terminable at will
Simon Shaw (to be appointed)	16 March 2009		n/a	12 months
Peter Smith	24 May 2004		23 May 2010	6 months
Fields Wicker-Miurin	27 June 2002		26 June 2011	Terminable at will

* But subject to the Articles of Association.

** The Board has agreed to extend these appointments for a further three years from their respective dates of termination. In the case of Charles McVeigh his continued service as a Non-Executive Director will be subject to his annual re-election as a Director by shareholders at the Company's Annual General Meetings (in accordance with the Combined Code).

The Company may, if it chooses, terminate an Executive Director's service contract by making a payment in lieu of notice to him. No Executive Director, except for the Group Chief Executive, is entitled to receive any unpaid bonus on termination of employment unless he is employed by the Company on the first day of the month in which such bonus is payable and has not previously given notice. The Group Chief Executive is entitled to receive a pro rata bonus on termination of employment in respect of the period up to the date of expiry of his contractual notice period provided he is a 'good leaver' (which expression does not include dismissal due to poor performance).

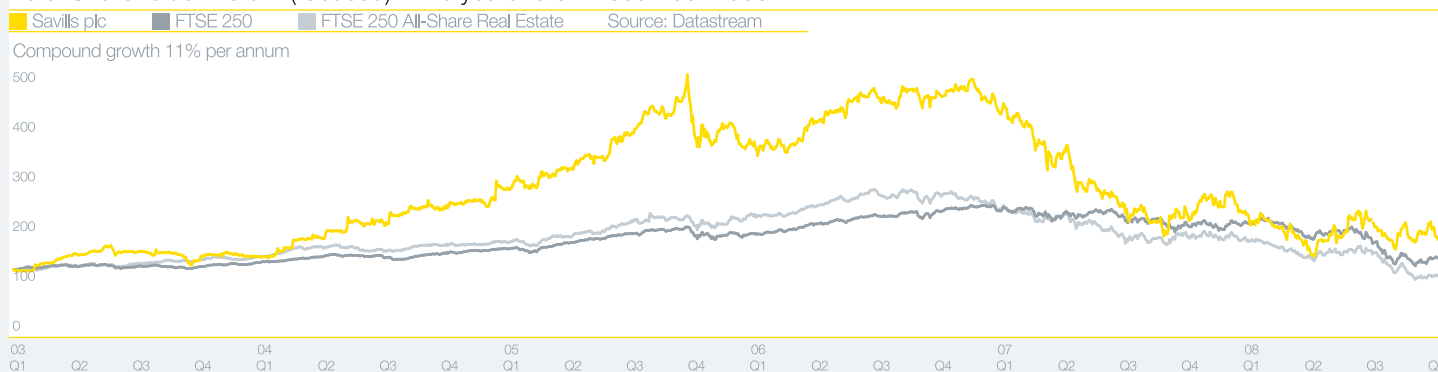
Performance graph

Over the last five years the Company has outperformed the FTSE 250 Index to give a Total Shareholder Return of 66% compared with a return of 26% provided by the FTSE 250 and negative 12% by the FTSE All-Share Real Estate Index. Savills was ranked 58th by performance in the FTSE 250 over the five years to 31 December 2008.

The Directors believe that the FTSE 250 is the most appropriate index against which to compare total shareholder return as it is an index of companies of similar size to Savills plc.

Below is a graph showing Total Shareholder Return for Savills plc against the FTSE 250 Index and FTSE All-Share Real Estate Index over the last five years:

Total Shareholder Return (rebased) – five years to 31 December 2008



By order of the Board

Charles McVeigh

Chairman of the Remuneration Committee

10 March 2009

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