

# Directors' remuneration report

## Remuneration Committee and advisers

In considering levels of remuneration, the Remuneration Committee has received advice from the Group Human Resources Director, Ernst & Young and Towers Perrin. Towers Perrin also provides additional advice to the Group's management on general remuneration issues from time to time. The Committee takes into account comparative practice in both the European technology sector and FTSE mid-250 companies.

## Remuneration policy

The Committee makes recommendations and determines remuneration policy on the Board's behalf. No Director is involved in deciding his own remuneration. In implementing its policy, the Committee has given full consideration to the principles of the Code with regard to Directors' remuneration, and is satisfied that it has complied with best practice provisions in this matter. In particular, the following objectives have been addressed:

- to attract, retain and motivate Executive Directors of the quality required to run the Company successfully;
- to reward Executive Directors through remuneration arrangements that are competitive but not excessive;
- to provide Executive Directors with an incentive for the development and performance of the Group in the best interests of shareholders;
- to ensure that a significant proportion of Executive Directors' remuneration is structured such that rewards are linked to corporate and individual performance.

The Board as a whole determines fees for Non-Executive Directors, which reflect the time commitment and responsibilities of their roles. The Committee is responsible for determining the appropriate policy for rewarding the Group's Executive Directors and senior management. The policy is designed to ensure that a significant proportion of the total remuneration is dependent upon performance and aligns the interests of executives and shareholders.

This is achieved through a combination of fixed and variable payments, benefits and share option plans.

## Basic salary and benefits

In seeking to ensure that the basic salary and benefits for each Executive Director are appropriate and competitive, relevant external market data, as well as pay and conditions in the Group generally, are taken into consideration. The Chairman makes recommendations to the Committee in respect of the two other Executive Directors based upon this information, together with an assessment of their individual performance against specific financial and non-financial goals, and the performance of the Group as a whole. Cliff Preddy, as Committee Chairman, is responsible for an equivalent process in respect of Ron Sandler's remuneration.

## Performance-related bonus scheme

Mike Norris and Tony Conophy participate in annual performance-related bonus schemes that are linked to the overall performance of the Group and the achievement of personal objectives agreed with them for the year by the Chairman, and approved by the Committee. Performance conditions are relevant, challenging and designed to enhance shareholder value. For 2003, the maximum levels of bonus were 50% of base salary and Mr Norris earned £157,700 (2002: £148,125) and Mr Conophy £91,000 (2002: £91,875).

## Share options

The Executive Directors are awarded executive share options under the Company's share option schemes. The majority are subject to certain performance conditions which are challenging and reflect the Group's objectives. The details of the various performance conditions relating to grants are set out in the notes to the table of Directors' interests in share options on page 31. These conditions are designed to produce significant and sustained improvements in the Group's underlying financial performance. Should the conditions not be met, options will lapse. The actual award is dependent upon individual performance assessed against agreed personal targets and grants are normally limited to a maximum of 1.25 times of an individual's base salary. The current performance measure used is earnings per share ("EPS") on an adjusted and fully diluted basis. The basis for measurement has been developed from earlier measures of basic EPS and fully diluted EPS.

## Pension

Executive Directors are entitled to participate in the Computacenter Pension Scheme, a defined contribution salary sacrifice scheme available to all employees under which a maximum annual Company contribution of £3,500 per employee is payable. The maximum Company contribution is automatically reviewed each July in line with the average increase in national earnings. The Scheme also allows employees to make additional salary sacrifices, which the Company may contribute to the Scheme on their behalf. The amounts of such salary sacrifices are shown as Company contributions in excess of the £3,500 limit in the table of Directors' remuneration. Mike Norris, Tony Conophy and Peter Ogden participate in the Scheme.

## Notice periods

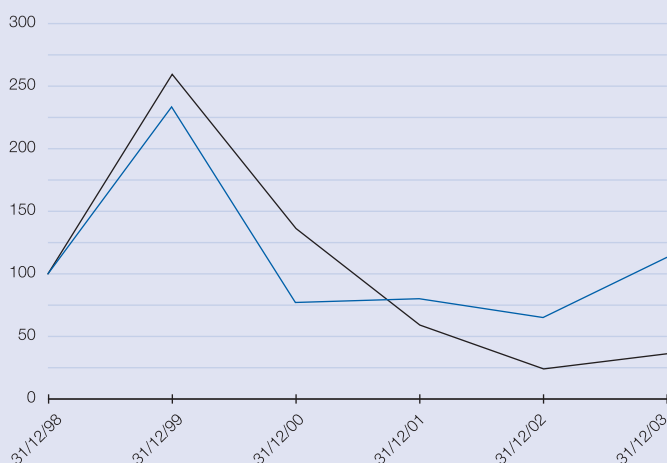
Executive Directors' employment contracts are subject to a rolling notice period of a maximum of 12 months. No contractual arrangements are in place that guarantee additional payments upon termination of employment by the Company. The Committee is satisfied that the contractual arrangements for Executive Directors comply with the Code.

## Total Shareholder Return Performance

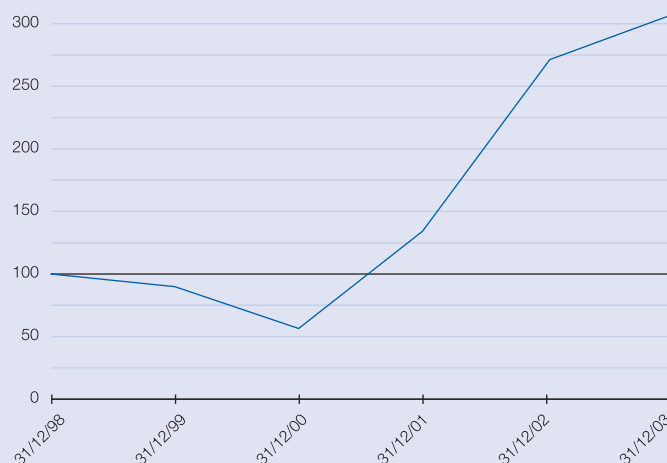
The performance of the Company over the last five financial years in relation to other relevant UK-quoted shares is shown in the performance graphs below.

Computacenter's shares are quoted on the London Stock Exchange and the Committee has deemed the FTSE Software & Computer Services share index as the most appropriate comparator against which to assess total shareholder return performance.

**Computacenter versus FTSE Software & Computer Services sector**



**Computacenter relative to FTSE Software & Computer Services sector**



### Key

— Computacenter TSR      — Sector

Both indices are rebased to 100 at 31 December 1998.

## Directors' remuneration

The Directors' remuneration and Directors' interests in share options tables below, and their associated notes, are subject to audit.

|                                | Unexpired contract term (months) | Basic salary and fees (£) | Performance related bonuses (£) | Pension contributions (£) | Total 2003 (£)   | Total 2002 (£) |
|--------------------------------|----------------------------------|---------------------------|---------------------------------|---------------------------|------------------|----------------|
| <b>Executive Directors</b>     |                                  |                           |                                 |                           |                  |                |
| RA Sandler                     | No term specified                | 246,929                   | —                               | —                         | <b>246,929</b>   | 233,961        |
| MJ Norris                      | No term specified                | 411,667                   | 157,700                         | 3,250                     | <b>572,617</b>   | 549,405        |
| FA Conophy                     | No term specified                | 270,583                   | 91,000                          | 17,990                    | <b>379,573</b>   | 348,413        |
| <b>Non-Executive Directors</b> |                                  |                           |                                 |                           |                  |                |
| NJ Cosh                        | 13                               | 38,750                    | —                               | —                         | <b>38,750</b>    | 34,326         |
| PW Hulme                       | 25                               | 30,000                    | —                               | —                         | <b>30,000</b>    | 30,000         |
| PJ Ogden                       | 25                               | 30,000                    | —                               | 1,500                     | <b>31,500</b>    | 31,500         |
| CSF Preddy                     | 13                               | 32,500                    | —                               | —                         | <b>32,500</b>    | 29,423         |
|                                |                                  | 1,060,429                 | 248,700                         | 22,740                    | <b>1,331,869</b> | 1,257,028      |

Note: Ghislain Lescuyer was appointed a Director on 19 January 2004. The term of his appointment will be until the close of the Company's Annual General Meeting in 2007.

# Directors' remuneration report

continued

## Interests in share options

|                                | Exercise price (p) | Exercise dates      | Note   | At 1 January 2003 (or date of appointment) | Granted during the year | Exercised during the year (or since appointment) | Lapsed | At 31 December 2003 |
|--------------------------------|--------------------|---------------------|--------|--------------------------------------------|-------------------------|--------------------------------------------------|--------|---------------------|
| <b>Executive Directors</b>     |                    |                     |        |                                            |                         |                                                  |        |                     |
| RA Sandler                     | 333.50p            | 20/03/04 – 19/03/11 | (1)    | 150,000                                    | –                       | –                                                | –      | 150,000             |
|                                | 333.50p            | 20/03/05 – 19/03/11 | (1)    | 150,000                                    | –                       | –                                                | –      | 150,000             |
|                                | 333.50p            | 20/03/06 – 19/03/11 | (1)    | 200,000                                    | –                       | –                                                | –      | 200,000             |
|                                | 322.00p            | 10/04/05 – 09/04/12 | (7)    | 91,226                                     | –                       | –                                                | –      | 91,226              |
|                                | 266.50p            | 21/03/06 – 20/03/13 | (9)    | –                                          | 117,260                 | –                                                | –      | 117,260             |
|                                | 266.50p            | 21/03/07 – 20/03/13 | (9)    | –                                          | 200,000                 | –                                                | –      | 200,000             |
| Total                          |                    |                     |        | 591,226                                    | 317,260                 | –                                                | –      | 908,486             |
| MJ Norris                      | 41.25p             | 09/04/99 – 08/04/06 | (2)    | 400,000                                    | –                       | 400,000                                          | –      | –                   |
|                                | 160.00p            | 31/07/00 – 30/07/07 | (2)    | 250,000                                    | –                       | –                                                | –      | 250,000             |
|                                | 670.00p            | 01/09/03 – 29/02/04 | (4,10) | 2,574                                      | –                       | –                                                | –      | 2,574               |
|                                | 942.50p            | 25/04/03 – 24/04/10 | (3)    | 20,424                                     | –                       | –                                                | 20,424 | –                   |
|                                | 333.50p            | 20/03/04 – 19/03/11 | (1,5)  | 8,995                                      | –                       | –                                                | –      | 8,995               |
|                                | 333.50p            | 20/03/04 – 19/03/11 | (6)    | 48,726                                     | –                       | –                                                | –      | 48,726              |
|                                | 322.00p            | 10/04/05 – 09/04/12 | (7)    | 122,670                                    | –                       | –                                                | –      | 122,670             |
|                                | 266.50p            | 21/03/06 – 20/03/13 | (9)    | –                                          | 194,652                 | –                                                | –      | 194,652             |
|                                | 395.00p            | 01/12/08 – 31/05/09 | (4)    | –                                          | 4,012                   | –                                                | –      | 4,012               |
| Total                          |                    |                     |        | 853,389                                    | 198,664                 | 400,000                                          | 20,424 | 631,629             |
| FA Conophy                     | 670.00p            | 01/09/03 – 29/02/04 | (4,10) | 2,574                                      | –                       | –                                                | –      | 2,574               |
|                                | 942.50p            | 25/04/03 – 24/04/10 | (3)    | 12,732                                     | –                       | –                                                | 12,732 | –                   |
|                                | 333.50p            | 20/03/04 – 19/03/11 | (6)    | 35,982                                     | –                       | –                                                | –      | 35,982              |
|                                | 322.00p            | 10/04/05 – 09/04/12 | (1,8)  | 9,316                                      | –                       | –                                                | –      | 9,316               |
|                                | 322.00p            | 10/04/05 – 09/04/12 | (7)    | 66,770                                     | –                       | –                                                | –      | 66,770              |
|                                | 266.50p            | 21/03/06 – 20/03/13 | (9)    | –                                          | 121,951                 | –                                                | –      | 121,951             |
|                                | 395.00p            | 01/12/06 – 31/05/07 | (4)    | –                                          | 2,335                   | –                                                | –      | 2,335               |
| Total                          |                    |                     |        | 127,374                                    | 124,286                 | –                                                | 12,732 | 238,928             |
| <b>Non-Executive Directors</b> |                    |                     |        |                                            |                         |                                                  |        |                     |
| NJ Cosh                        |                    |                     |        | –                                          | –                       | –                                                | –      | –                   |
| PW Hulme                       | 25.00p             | 09/04/99 – 08/04/03 | (2)    | 1,100,000                                  | –                       | 1,100,000                                        | –      | –                   |
| GM Lescuyer                    |                    |                     |        | –                                          | –                       | –                                                | –      | –                   |
| PJ Ogden                       | 25.00p             | 09/04/99 – 08/04/03 | (2)    | 1,600,000                                  | –                       | 1,600,000                                        | –      | –                   |
| CSF Preddy                     |                    |                     |        | –                                          | –                       | –                                                | –      | –                   |

## Interests in share options continued

- 1 Issued under the terms of the Computacenter Employee Share Option Scheme 1998.
- 2 Issued under the terms of the Computacenter Services Group plc Unapproved Executive Share Option Scheme.
- 3 Issued under the terms of the Computacenter Performance Related Share Option Scheme 1998. The options exercisable from 25 April 2003 are exercisable on the condition that the average annual compound growth in the Computacenter Group's earnings per share is at least 5% above the RPI for the three-year period commencing 1 January 2000.
- 4 Issued under the terms of the Computacenter Sharesave Plus Scheme, which is available to all employees and full time Executive Directors of the Computacenter Group.
- 5 Exercisable on the condition that the average annual compound growth in the Computacenter Group's fully diluted earnings per share, compared to the base year of 2000, is at least equal to the RPI plus 5% in any of the three, four or five year periods up to and including 2003, 2004 and 2005 respectively.
- 6 Issued under the terms of the Computacenter Performance Related Share Option Scheme 1998. The options become exercisable if the average compound growth in the Computacenter Group's fully diluted earnings per share, compared to the base year of 2000, is at least equal to the RPI plus 5% in any of the three, four or five year periods up to and including 2003, 2004 or 2005 respectively.
- 7 Issued under the terms of the Computacenter Performance Related Share Option Scheme 1998. The options become exercisable if the average annual compound growth in the Company's earnings per share (on a pre-exceptional post investment in the Biomni joint venture fully diluted basis) compared to the base year of 2001, is at least equal to the RPI plus 5% in any of the three, four or five year periods up to and including 2004, 2005 or 2006 respectively.
- 8 Exercisable on the condition that the average annual compound growth in the Company's earnings per share (on a pre-exceptional post investment in the Biomni joint venture fully diluted basis) compared to the base year of 2001, is at least equal to the RPI plus 5% in any of the three, four or five year periods up to and including 2004, 2005 or 2006 respectively.
- 9 Issued under the terms of the Computacenter Performance Related Share Option Scheme 1998. The options become exercisable if the average annual compound growth in the Company's earnings per share (on a pre-exceptional post investment in the Biomni joint venture fully diluted basis) compared to the base year of 2002, is at least equal to the RPI plus 5% in any of the three, four or five year periods up to and including 2005, 2006 or 2007 respectively.
- 10 Options lapsed on 29 February 2004.
- 11 Gains made on exercise of options during the year by Directors were:

|                 | Date of exercise | Last date for exercise | No. of shares | Exercise price (p) | Total exercise monies (£) | Market value at exercise (p) | Gain on exercise (£) |
|-----------------|------------------|------------------------|---------------|--------------------|---------------------------|------------------------------|----------------------|
| <b>Director</b> |                  |                        |               |                    |                           |                              |                      |
| MJ Norris       | 11/04/03         | 08/04/06               | 400,000       | 41.25              | 165,000                   | 288.5                        | 989,000              |
| PW Hulme        | 10/01/03         | 08/04/03               | 350,000       | 25.00              | 87,500                    | 288.5                        | 922,250              |
|                 | 20/03/03         | 08/04/03               | 412,762       | 25.00              | 103,191                   | 266.5                        | 996,820              |
|                 | 07/04/03         | 08/04/03               | 337,238       | 25.00              | 84,310                    | 274.0                        | 839,722              |
| PJ Ogden        | 28/03/03         | 08/04/03               | 1,600,000     | 25.00              | 400,000                   | 263.5                        | 3,816,000            |

The market price of the ordinary shares at 31 December 2003 was 470.0p. The highest price during the year was 485.75p and the lowest was 222.5p.

**AJ Pottinger**  
 Secretary  
 15 March 2004