

Board of Directors



1 David Newlands ^R

Non-Executive Chairman

Aged 61

Appointed to the Board in August 1999 and became Chairman in June 2000. He is Chairman of KESA Electricals plc and PayPoint plc, and a Director of a number of other companies. He was formerly Finance Director of The General Electric Company, p.l.c., Chairman of Britax International plc and Deputy Chairman of Standard Life Assurance.

2 James Nicol ^C

Chief Executive Officer

Aged 54

Appointed to the Board in February 2002. Former President and Chief Operating Officer of Magna International Inc., the Canadian automotive parts company. He joined Magna in 1987 as Vice-President, Special Projects, following a successful career as a commercial lawyer. He left in 1992 to set up TRIAM Automotive Inc. and returned to Magna as Vice-Chairman when Magna acquired TRIAM in 1998.

3 John Zimmerman

Finance Director

Aged 44

Appointed to the Board in October 2007. He is a Chartered Accountant (S.A.) and practised for a number of years at Deloitte in South Africa. He joined Braxton Associates in Toronto in 1990 and then became a partner at Orenda Corporate Finance in 1994. He joined Tomkins as Vice President of Corporate Development in 1999.

4 Richard Gillingwater ^A ^R

Senior Independent Non-Executive Director

Aged 51

Appointed to the Board in December 2005. He is Dean of Cass Business School in the City and previously held senior appointments in Government and the City, as Chairman of the Shareholder Executive, the body responsible for the Government's shareholdings in major public-owned businesses, and at CSFB, BZW and Kleinwort Benson.

5 John McDonough ^A ^R ^C

Independent

Non-Executive Director

Aged 56

Appointed to the Board in June 2007. He is the Group Chief Executive of Carillion plc having been appointed in 2001. He was previously Vice President, Integrated Facilities Management, Europe, the Middle East and Africa of Johnson Controls Inc and is currently Vice Chairman of the CBI's Public Services Strategy Board and a member of the CBI's President's Committee.

6 Leo Quinn ^A ^R

Independent

Non-Executive Director

Aged 51

Appointed to the Board in July 2007. He is Group Chief Executive of De La Rue plc. Previously he was Chief Operating Officer of Invensys plc's Production Management Division. Prior to this, he spent 16 years with Honeywell Inc. in a variety of senior management roles in the USA, Europe, the Middle East and Africa.

7 David Richardson ^A

Independent

Non-Executive Director

Aged 56

Appointed to the Board in March 2006. He is a Non-Executive Director of The Restaurant Group PLC, Serco Group plc, Dairy Crest Group plc and Forth Ports PLC and he has been Chairman of De Vere Group plc and Sports Direct International plc. Previously he held a number of senior financial management and strategic planning positions in Whitbread PLC from 1983 to 2005 becoming Group Finance Director in 2001. Prior to his time at Whitbread, he had worked for ICL plc and Touche Ross & Co. (now Deloitte & Touche LLP).

8 Struan Robertson ^C

Independent

Non-Executive Director

Aged 58

Appointed to the Board in December 2005. He is currently a Non-Executive Director of Forth Ports PLC, Henderson TR Pacific Investment Trust plc, International Power plc and Salamander Energy plc. He was Group Chief Executive of Wates Group Limited between 2000 and 2004, having previously spent 25 years with BP plc in a number of senior positions. He was the Senior Independent Director at WS Atkins plc from 2000 to 2005.

Directors' interests in the Company

The interests of the Directors in the share capital of the Company are shown below. No Director had any beneficial interest in the shares or loan stock of any other Group undertaking.

No changes took place in Directors' interests during the period from 30 December 2007 to 20 February 2008.

5p ordinary shares	29 December 2007 No. of shares ⁽²⁾		30 December 2006 ⁽¹⁾ No. of shares ⁽³⁾	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Executive Directors				
J Nicol	2,095,652	–	1,828,408	–
J W Zimmerman	228,400	–	211,726	–
Non-Executive Directors				
R D Gillingwater	9,000	–	7,000	–
J McDonough	7,000	–	–	–
D B Newlands	322,515	–	320,515	–
L M Quinn	22,000	–	–	–
D H Richardson	17,729	–	15,729	–
D D S Robertson	10,500	–	8,500	–

Notes

(1) Or later date of appointment.

(2) Includes 431,271 Deferred shares for J Nicol and 98,398 Deferred shares for J W Zimmerman.

(3) Includes 410,582 Deferred shares for J Nicol and 92,232 Deferred shares for J W Zimmerman.

^A Member of the Audit Committee

^R Member of the Remuneration Committee

^C Member of the CSR Committee

Key governance principles

The Tomkins Board promotes the highest standards of corporate governance within the Company through its support and application of the Principles of Good Governance set out in section 1 of The Combined Code on Corporate Governance. A summary of the Company's system of applying the principles and the manner in which the provisions in section 1 have been complied with are set out below. Section 1 of the Combined Code sets out the main and supporting Principles of Good Governance for companies, which are split into the following areas:

1. Directors
2. Remuneration
3. Accountability and audit
4. Shareholder relations

Each of these areas is addressed in turn.

1. Directors

A. The Board

The Company is controlled through its Board of Directors, whose main roles are to:

- Create value for shareholders;
- Provide leadership of the Company;
- Approve the Company's strategic objectives;
- Ensure that the necessary financial and other resources are made available to the management to enable them to meet those objectives; and
- Operate within a framework of effective controls which enables the assessment and management of principal business risks.

The Board, which has reserved certain specific matters to itself for decision (set out in a Schedule of Reserved Matters), is responsible for approving overall Group strategy and financial policy, acquisition and divestment policy and major capital expenditure projects. It also appoints and removes members of the Board and Board Committees, reviews recommendations of the Audit Committee, Remuneration Committee and Nomination Committee, and the appointment of the independent auditor. It also reviews the financial performance and operation of each of the Company's businesses. In 2007, the Company granted qualifying third party indemnities to the Directors which remain in force at the time of this report.

The Board sets the standards and values of the Company and much of this has been embodied in the Company's Code of Conduct and Ethics and Human Rights Policy which can be found on the Company's website, www.tomkins.co.uk. The Code of Conduct and Ethics applies to all Directors, officers and employees, including the principal executive, financial and accounting officers, as required by section 406 of the US Sarbanes-Oxley Act of 2002, the related rules of the US Securities and Exchange Commission and the rules of the New York Stock Exchange. The Code contains provisions (Reporting of Violations) under which employees can report violations of company policy or any applicable law, rule or regulation, including those of the US Securities and Exchange Commission. US employees have the added protection of section 806 of the Sarbanes-Oxley Act of 2002, which prohibits the discrimination by a company or others against an employee where such violations are reported. The current procedure, which is set out in Tomkins' Code of Conduct and Ethics, provides for information to be given anonymously or by named employees under conditions of confidentiality. Those employees who come forward and give their name are assured that they will receive the full protection of section 806 and no retaliation will take place. This is of particular importance since 52% of the Company's employees are based in the US. Furthermore, the Company ensures that the principles are applied in other jurisdictions, subject to compliance with local employment and other laws.

The Board has delegated to the Chief Executive responsibility for the day-to-day management of the Group subject to certain financial limits above which Board approval is required. The delegated authority includes such matters as operations, acquisitions and divestitures, investments, capital expenditure, borrowing facilities and foreign currency transactions.

The Board of Directors comprises a Non-Executive Chairman, five additional Non-Executive Directors and two Executive Directors who together, with their different financial, commercial, technical and operational expertise and cultures, bring with them a wide range of experience to the Company.

The Board has determined that David Newlands, Richard Gillingwater, John McDonough, Leo Quinn, David Richardson and Struan Robertson are independent, as they are independent of the Company's executive management and free from any material business or other relationship with the Company (either directly or as a partner, shareholder or officer of an organisation that has a relationship with the Company). In December 2000, at the request of the Board, the Non-Executive Chairman, David Newlands, temporarily assumed certain executive responsibilities until the recruitment of James Nicol as Chief Executive in February 2002. It is the Board's view that this short-term arrangement did not affect Mr Newlands' independence. Accordingly, the Board believes that there are no such relationships that could materially interfere with the exercise of their independent judgement.

Non-Executive Directors are normally appointed for a minimum period of two years, which is renewable by agreement with the Board and is subject to approval by shareholders at the Annual General Meeting ("AGM"). The terms and conditions of appointment of Non-Executive Directors are available for inspection at the Company's registered office during normal business hours on weekdays and will also be available for inspection at the place of the AGM from 15 minutes before the meeting until it ends. The Combined Code recommends the appointment of a senior independent Non-Executive Director and Sir Brian Pitman served in this capacity until his retirement from the Board at the conclusion of the AGM on 13 June 2007 whereupon Richard Gillingwater was appointed senior independent Non-Executive Director.

The roles of Non-Executive Directors are to:

- scrutinise the performance of management in meeting the agreed objectives;
- help develop proposals on strategy; and
- monitor the reporting of performance, including satisfying themselves as to the integrity of financial information and that financial controls and systems of risk management put in place by the Company are robust and effective.

They meet together from time to time in the absence of management and the Chairman normally presides over such meetings.

On appointment, Non-Executive Directors receive a range of information about the Company via an induction programme, which aims to provide an understanding of the Company as a whole, including its strategy, structure, geographical spread of operations, financial position, markets, products, technologies and people, as well as their legal responsibilities as a Director and, where appropriate, any training that is necessary for them to carry out their duties effectively. The Board and its Committees receive, in a timely manner, detailed information concerning the matters to be discussed to enable them to make informed decisions. The Directors have access to the advice and services of the Company Secretary, whose removal may be effected only with the approval of the Board, and can obtain independent professional advice at the Company's expense in furtherance of their duties, if required.

The Board ordinarily meets not less than five times a year, and will hold additional meetings when circumstances require. During the year ended 29 December 2007, the Board met on five occasions. Between meetings, the Chairman and Chief Executive update the Non-Executive Directors on current matters and there is frequent contact to progress the affairs of the Company. With the encouragement of the Chief Executive, the Non-Executive Directors have regular contact with senior management through their presentations at Board meetings, at strategic reviews and on other occasions.

Attendance by each individual Director at Board and principal Committee meetings held during 2007

	Board	Audit Committee	Remuneration Committee	Nomination Committee	Corporate Social Responsibility Committee
Meetings held in 2007	5	5	3	1	4
Meetings attended:					
David Newlands	5	n/a	3	1	n/a
Richard Gillingwater	4	4	3	1	n/a
Jack Keenan	3	3	2	1	n/a
Ken Lever	4	n/a	n/a	n/a	n/a
John McDonough	2	2	n/a	–	1
Iain Napier	2	n/a	1	–	n/a
James Nicol	5	n/a	n/a	n/a	4
Sir Brian Pitman	2	n/a	n/a	1	n/a
Leo Quinn	2	2	1	–	n/a
David Richardson	5	5	n/a	1	n/a
Struan Robertson	5	n/a	n/a	1	4
John Zimmerman	1	n/a	n/a	n/a	n/a

Notes

n/a = not applicable (where a Director is not a member of a Committee).

Key governance principles continued

Seven of the Directors served for only part of 2007. These Directors were Jack Keenan (retired 13 June 2007), Ken Lever (resigned as a Director on 1 October 2007, with his employment ceasing on 31 October 2007), John McDonough (appointed 14 June 2007), Iain Napier (appointed 14 June 2007 and resigned 13 December 2007), Sir Brian Pitman (retired 13 June 2007), Leo Quinn (appointed 6 July 2007), and John Zimmerman (appointed 1 October 2007). Richard Gillingwater was unable to attend one Board meeting and one Audit Committee meeting. Sir Brian Pitman was unable to attend one Board meeting and John McDonough was unable to attend one meeting of the Corporate Social Responsibility Committee. The remaining Directors attended all Board and Committee meetings for the periods in 2007 in which they held their directorships. During the year, other Directors have attended meetings of the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Social Responsibility Committee by invitation. These details are not included in the table on the previous page. On the rare occasion when a Director cannot attend a meeting, he will normally, prior to the meeting, make his views on the agenda items known to the Chairman or, in respect of Committee meetings, to the Chairman of the respective Committee.

Directors' membership of principal Committees

	Audit	Nomination	Remuneration	Corporate Social Responsibility	Disclosure	General Purposes
David Newlands		C	M		C	
James Nicol				M	M	C
John Zimmerman					M	M
Richard Gillingwater	M	M	M			
John McDonough	M	M	C	M		
Leo Quinn	M	M	M			
David Richardson	C	M				
Struan Robertson		M		C		

C – Chairman
M – member

At the Company's forthcoming AGM, and in accordance with the Company's Articles of Association, James Nicol and David Richardson will retire from the Board by virtue of length of service and will seek reappointment. John McDonough, Leo Quinn and John Zimmerman, having been appointed during the year, will retire in accordance with the Articles of Association and will seek reappointment.

B. Chairman and Chief Executive

There is a clear division of responsibility between the Chairman and the Chief Executive, with neither having unfettered powers of decision with respect to substantial matters. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial, business and corporate matters to enable them to participate effectively in Board decisions. In advance of each meeting, the Board is provided with comprehensive briefing papers on items under consideration.

The Chairman, David Newlands, is also Chairman of KESA Electricals plc and PayPoint plc. Whilst these are important appointments, the Board of Tomkins believes that the Chairman continues to be able to carry out his duties and responsibilities effectively for the Company.

The Chief Executive's primary role is the running of the Company's businesses and the development and implementation of strategy. The Non-Executive Directors have the opportunity to meet with the Chairman and with the Chief Executive periodically, either together or separately, to consider and discuss a wide range of matters affecting the Company, its business, strategy and other matters.

C. Board Committees

The Board has established a number of Committees and receives reports of their proceedings. Each Committee has its own delegated authority as defined in its terms of reference, which are reviewed periodically by the Board. The Board is satisfied that its Committees have written terms of reference which conform with best corporate governance practice. The terms of reference for all Board Committees can be found under "Governance" in the "Responsibilities" area of the Company's website, www.tomkins.co.uk, or a copy can be obtained by application to the Company Secretary at the Company's registered office.

The Board appoints the chairmen and members of all Board Committees upon the recommendation of the Nomination Committee. The Company Secretary is Secretary to all Board Committees. The principal Committees, their membership and a brief description of their duties are set out below. Mr J M J Keenan and Sir Brian Pitman retired from the Board at the conclusion of the Company's AGM on 13 June 2007 and Mr R D Gillingwater replaced Sir Brian Pitman as Senior Independent Director on that date. Messrs. K Lever and I J G Napier resigned from the Board on 1 October 2007 and 13 December 2007 respectively. All stood down from their respective Committee memberships at the date of retirement or resignation.

Audit Committee

Details of the Audit Committee and its work can be found on pages 60 and 61.

Nomination Committee

The Nomination Committee makes recommendations to the Board on all proposed appointments of Directors through a formal and transparent procedure. The Committee meets as and when required.

In accordance with the Company's Articles of Association, Directors are subject to reappointment at the AGM immediately following the date of their appointment, and thereafter they have to seek reappointment no more than three years from the date they were last reappointed. The Committee recommends to the Board the names of the Directors who are to seek reappointment at the AGM in accordance with the Company's Articles of Association.

During the year, four new Board appointments were made. The Nomination Committee was central to the recruitment process, including the appointment of professional advisers and conducting interviews with potential candidates, and the Committee and Board are aware of, and support, the principles set out in section A.4 of the Combined Code relating to appointments to the Board.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee meets at least three times a year. The Committee is chaired by an independent Non-Executive Director and its membership also includes the Chief Executive. Its principal role is to determine, on behalf of the Board, the framework or broad policy and objectives in the areas of health, safety and the environment ("HSE") and propose any amendments to existing policies for approval by the Board. It also reviews management's performance in the achievement of HSE objectives and reviews HSE reports produced by business units for compliance with all local health, safety and environmental codes of practice, legislation and relevant industry practice.

More details of the work of the Corporate Social Responsibility Committee can be found in the Corporate Responsibility Report to shareholders available on the Company's website www.tomkins.co.uk.

Remuneration Committee

Details of the Remuneration Committee and its work can be found on pages 62 to 69.

Disclosure Committee

The Disclosure Committee meets as and when required for the purpose of, inter alia, reviewing and approving for release all price-sensitive information relating to the Company and compliance with the Disclosure and Transparency Rules of the Financial Services Authority.

General Purposes Committee

The General Purposes Committee meets as and when required. It comprises Executive Directors and senior executives and the quorum requires the presence of at least one Executive Director. The Committee deals principally with day-to-day matters of a routine nature and matters delegated to it by the Board.

Key governance principles continued

D. Board, Committee and Chairman evaluations

Under the direction of the Senior Independent Director, Richard Gillingwater, evaluations of the effectiveness of the Board, its Committees and Chairman were conducted during the year. The evaluation processes continued with the same approach as the previous year which drew on the experiences of the previous evaluations of the Board and its Committees and concentrated on six key elements:

- the optimum mix of skills and knowledge amongst the Directors;
- clarity of goals and processes;
- tailoring the evaluation to the specific circumstances of Tomkins;
- the culture of candour that encourages constructive evaluation;
- regular reviews of assessment criteria; and
- full disclosure of procedures and criteria to the Board.

Board and Committee

The fifth Board performance evaluation took place during the year, which continued the processes developed in the first four years. A Report was prepared and considered by the Board. The overall view of the Directors was that the Board is the right size and mix of skills to ensure its optimum effectiveness, particularly after the recent changes to membership of the Board. A number of suggestions were made relating to the following:

Dedicated strategy sessions were felt to be of particular use, as a way of ensuring the Board's involvement in the development of strategy;

It was also felt that the Board's methods of measuring management performance could be improved in the following ways:

- while the numbers were analysed and the operations explained, it was felt that it would be helpful to see some KPIs which were regularly reported on outside the pure financial numbers;
- the budgeting and reporting process could be simplified; and
- by questioning the trends in return on invested capital and considering the extent of organic growth compared to acquisition.

Additional comments were made in relation to the number, duration and timing of Board meetings and positive comments were made on the quality of operating and financial reporting, supported by high-quality papers and presentations. The Board considered the matters raised by the evaluation and arrangements were made to address each of those matters raised.

The fourth Board Committee performance evaluation reinforced the positive messages that were highlighted in the first three evaluations. The Committees were acknowledged to be well led with strong and experienced members who were well informed and overall the Committees function well. There were some suggestions on improving particular aspects of the work of the Committees, including the distribution of papers and, in relation to the Remuneration Committee, the following points in particular were raised:

- There was a preference to have a greater degree of formal Human Resources (HR) representation and input;
- It was felt that the supporting processes for the Committee might be improved by more regular updates on market trends in remuneration and more frequent reference to external market data.

These concerns have been addressed and the 1 January 2008 review of Non-Executive Directors' fees and Chairman's remuneration drew on advice and data supplied by PA Consulting, which took account of the above suggestions. Overall, the Directors continue to believe that the Committees function well.

Chairman

For the evaluation of the Chairman, the more formal approach adopted in previous years continued, including completion of a questionnaire that sought views across a broad range of the Chairman's responsibilities. There was considerable positive feedback from Directors on the role of the Chairman and his leadership of the Board. A small number of suggestions were made and the Senior Independent Director discussed these with the Chairman. The Non-Executive Directors discussed the evaluation report with the Senior Independent Director in the absence of executives.

2. Remuneration

See the Remuneration Committee report on pages 62 to 69.

3. Accountability and Audit

A. Financial reporting

In the Directors' report, the Board seeks to provide a detailed understanding of each business of the Group, together with a balanced and understandable assessment of the Company's position and prospects.

B. Internal control

Further information on the internal control environment within which the Group operates may be found in the Directors' statement on internal control on pages 58 and 59.

C. Going concern

The Directors are confident, on the basis of current financial projections and facilities available, that the Company and the Group have adequate financial resources to continue in operation for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

D. "Whistleblower" reporting procedures

Under section 301 of the Sarbanes-Oxley Act of 2002, all public companies, including non-US public companies such as Tomkins, acting through the Audit Committee of the Board, must provide a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters. The Audit Committee and the Board have agreed a procedure for the confidential and anonymous submission by employees of concerns regarding these matters.

4. Shareholder relations

The Company places a high degree of importance on maintaining good relationships and communications with both institutional and private investors and ensures that shareholders are kept informed of significant Company developments.

To assist members of the Board to gain an understanding of the views of institutional shareholders, at each of its meetings the Board receives an Investor Relations Report, which covers a wide range of matters including a commentary on the perception of the Company and views expressed by the investment community, media reports, share price performance and analysis. Analysts' reports and estimates are also made available to all Directors. The announcement of quarterly management statements, half-year and full-year results provides opportunities for the Company to answer questions from institutional shareholders covering a wide range of topics. The Chairman, Chief Executive, Finance Director and Investor Relations staff hold an ongoing dialogue with institutional shareholders to ensure the mutual understanding of objectives. The Chief Executive and other senior executives participate in industry conferences, which are attended by existing and potential shareholders. The Company exercises care to ensure that all price-sensitive information is released to all shareholders at the same time, as required by the Listing Rules of the Financial Services Authority and the Securities and Exchange Commission Regulation FD in the US.

The Company's website provides shareholders and potential investors with information about the Company, including annual and interim reports, recent announcements, investor presentations, share price information, Group policies, corporate responsibility and governance matters. Shareholders are also able to put questions to the Company via its website.

Shareholders also have the opportunity to attend the AGM to put questions to the Board. Full details of the 2008 AGM are in the Circular to Shareholders dated 27 March 2008. It has been the Company's practice to send the Notice of the AGM and related papers to shareholders at least 20 working days before the meeting and to propose separate resolutions on each substantially separate issue.

The Board notes that section 2 of the Combined Code seeks to encourage more active participation by institutional shareholders, including entering into a dialogue with companies and making considered use of their votes – principles which the Company supports.

Substantial shareholdings

Voting rights notified under the Disclosure and Transparency Rules at 20 February 2008 are as set out in the table below.

	No. of shares	% of total voting rights
Tradewinds NWQ Global Investors, LLC	65,864,556	7.47
AMVESCAP plc (through AiM Trimark)	44,464,570	5.05
Sprucegrove Investment Management Limited	43,969,223	4.99
Legal & General Group plc	35,977,633	4.08

Shareholder rights

The Company's issued share capital is comprised of ordinary shares of 5p each. In addition to such ordinary shares, the Company's authorised share capital includes convertible cumulative preference shares of US\$50 each and convertible cumulative redeemable preference shares of US\$50 each, both of which are convertible into ordinary shares. None of such preference shares are in issue, and it is proposed at this year's AGM that the authority for such preference shares should be removed. See also notes 37 and 41 on pages 126 and 128 respectively.

Significant agreements and change of control

The Group has issued bonds totalling £400 million. The terms of the bonds entitle the holders to require redemption where there is a change of control of the Company combined with a ratings downgrade. In addition, under the Group's £400 million credit facility, the lenders are entitled, on a change of control, to require prepayment of amounts outstanding.

In addition, the service agreement of James Nicol entitles him to the payment of one year's salary, the value of certain benefits and certain additional bonus entitlements where his employment is terminated (either by the company or by himself) within three months after a change of control. Further, the performance conditions for certain of Mr Nicol's share option entitlements are waived in the event of a change of control.

Compliance statement

Except where indicated, the Company has complied throughout the year ended 29 December 2007 with all the Code provisions set out in section 1 of the Combined Code.

The certifications of the Chief Executive and Finance Director required under section 302 of the US Sarbanes-Oxley Act of 2002, and the related rules of the US Securities and Exchange Commission, will be filed as exhibits to the Company's Form 20-F. Pursuant to section 303A, the Foreign Private Issuer Annual Written Affirmation was sent to the New York Stock Exchange ("NYSE") in June 2007, affirming without qualification that Tomkins has complied with the requirements laid down by the NYSE in respect of Foreign Private Issuers.

The Company has placed on its website a general summary of the significant ways in which the Company's corporate governance differs from that followed by domestic US companies under the NYSE's listing standards, as required by section 303A.11.

Statement on Directors' report

Each of the persons who is a Director at the date of approval of the Directors' report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the auditors are unaware; and
- the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

Approved by the Board on 20 February 2008 and signed on its behalf by

David Newlands
Chairman

Internal control

The Directors have overall responsibility for the Group's system of internal control and for reviewing its effectiveness. To fulfil this responsibility the Directors have established a Performance Management Framework within which each of the Group's businesses operates. Within this framework, the management of each of the businesses considers strategic, operational, commercial and financial risks, and identifies risk mitigation actions. Whilst acknowledging the overall responsibility for the system of internal control, the Directors are aware that the system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable and not absolute assurance against material misstatement or loss.

During the period under review, the Directors were not aware of any control breakdowns which resulted in a material loss to the Group.

The Performance Management Framework, which includes an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, has been in place throughout the financial year and up to the approval date of the Directors' Report and Accounts. Each business unit's management identifies and assesses the key business risks affecting the achievement of its objectives. Business unit management also identifies the risk management processes used to mitigate the key risks to an acceptable level and, where appropriate, additional actions required to further manage and mitigate them. The risk summaries developed out of this process are updated at least annually. In addition, Corporate Centre management considers those risks to the Group's strategic objectives that may not be identified and managed at the business unit level.

In connection with quarterly business reviews, relevant executives discuss risk management activities with Corporate Centre management. The key risks and mitigation strategies are also discussed at least annually with the Audit Committee as well as the full Board.

The risk management processes described above are applied to major decision-making processes such as acquisitions as well as operational risks within the business including environmental, health and safety.

The other key elements of the Performance Management Framework, which constitutes the control environment are:

Business strategy reviews

Each business is required to prepare a strategic position assessment taking into account the current and likely future market environment and competitive position of the business with specific consideration given to strategic risk. The Corporate Centre management reviews the strategy with each business and the Board is presented with a summary of the plans.

Business reviews

On a quarterly basis, Corporate Centre management performs extensive reviews with each business. These reviews consider current and projected financial and operating results, and address the progress of key strategic and operating initiatives, the risks affecting their achievement and the actions being taken by business unit management to manage the risks and achieve their objectives.

Financial plans

Each business prepares financial plans in accordance with a prescribed format, which includes consideration of risks. Management at the Corporate Centre reviews the financial plans with the business units and a summary is presented to the Board for approval.

Balance sheet reviews

Business unit and Corporate Centre financial management conduct periodic, on-site reviews of underlying rationale and support for the significant line item components comprising the balance sheets for each business in the Group.

Investment project authorisation

All significant investment project expenditures are subject to a formal investment project authorisation process, which takes into account, inter alia, operational, financial and technical risks. For significant investment projects a post-investment analysis is completed to facilitate continuous improvement in the investment planning process, including risk identification and mitigation.

Reporting, analysis and forecasts

All businesses are required to report monthly to the Corporate Centre on financial performance. Comparisons are made with plan, forecast and prior year, and significant variances and changes in the business environment are explained. Each business reassesses its forecast for the financial year on a monthly basis. Quarterly, each business prepares a forecast for the following 18 months and reviews projections for the current and following year.

Financial strategy

The financial strategy includes assessment of the major financial risks related to interest rate exposure, foreign currency exposure, debt maturity and liquidity. There is a comprehensive global insurance programme using the external insurance market and some limited use of an internal captive insurance company. Group Treasury manages hedging activities, relating to financial risks, with external cover for net currency transaction exposures. The Group Tax function manages tax compliance and tax risks associated with the Group's activities. The Audit Committee, through periodic direct reports from the Group Treasurer and Group Vice-President, Tax, oversees the financial strategy as well as the tax strategy, and considers the associated risks and risk management techniques being used by the Group.

Reporting certifications

In connection with the preparation of the annual financial statements, senior business general management and financial management sign a certificate which includes a declaration regarding the existence of internal controls, the proper recording of transactions and the identification and evaluation of significant business risks. These certifications were expanded to encompass section 302 of the Sarbanes-Oxley Act of 2002 (the "Act") in support of statements required to be made by Tomkins' Chief Executive Officer and Finance Director. See further discussion of Sarbanes-Oxley below.

Sarbanes-Oxley

As a foreign private issuer (FPI) listed on the NYSE in the US, the Group is subject to the provisions of the Sarbanes-Oxley Act of 2002 (the "Act"). In particular, Section 404 of the Act requires certifications by management regarding the effectiveness of internal controls over financial reporting and requires the independent auditors to express an opinion on such internal controls. Accordingly, the Group undertakes each year a comprehensive, risk-based approach to testing its internal controls to ensure Tomkins' compliance with the requirements of Section 404 of the Act. The Tomkins Chief Executive Officer and Chief Financial Officer have issued their report attesting to the Group's compliance with the Act as of 29 December 2007. While management's certification and the external auditor's opinion on internal controls over financial reporting are necessarily reported in Tomkins' US SEC filings, the results of Tomkins' compliance with the Act also serve to further underpin the internal control framework for the Group.

Internal Audit

The Group has an established internal audit function; the Vice President – Internal Audit directs the activities of the internal auditors on a day-to-day basis and has a direct reporting line to the Chairman of the Audit Committee of the Board. Internal Audit's responsibilities include performing independent objective assurance activities in order to evaluate the adequacy and effectiveness of the Group's system of internal control and risk management processes. The Internal Audit plan is constructed to provide geographic coverage on a cyclical basis while tailoring to address specific risk concerns. During the year, it reported regularly to the Audit Committee on its internal audit reviews of the Group's operations.

The Directors confirm that the effectiveness of the system of internal control for the year ended 29 December 2007 has been reviewed in line with the criteria set out in the guidance for Directors in the Combined Code.

Audit Committee report

This Report has been prepared in accordance with the requirements of paragraph C.3.3 of the Combined Code and paragraphs 5.1 and 5.2 of the Guidance on Audit Committees produced by Sir Robert Smith. The report describes the role of the Audit Committee in meeting these requirements.

Terms of reference

The Committee's terms of reference, a copy of which can be found in the Responsibilities – Governance area on the Company's website, are reviewed from time to time and approved by the Board of Tomkins. They are based on the model terms of reference set out in the Guidance Note produced by the Institute of Chartered Secretaries and Administrators and take account of the requirements of the Sarbanes-Oxley Act of 2002 and the Guidance Notes set out in Sir Robert Smith's Report published in January 2003.

The terms of reference cover membership and appointment, meetings, duties and responsibilities, authority and a number of other matters.

Membership and appointment

The Audit Committee comprises four independent Non-Executive Directors: David Richardson who was appointed to the Committee in March 2006 and became Chairman in May 2006, Richard Gillingwater, who was appointed in December 2005, John McDonough and Leo Quinn who were appointed on 30 July 2007. Jack Keenan ceased to be a member of the Committee upon his retirement from the Board on 13 June 2007.

The Board has determined that all four members of the Audit Committee are independent for the purposes of the Combined Code and rule 10A.3(b)(1) under the US Securities Exchange Act of 1934 and section 303A of the New York Stock Exchange's Listed Company Manual. The members bring wide-ranging financial, commercial and management experience to the work of the Audit Committee and their biographical details are set out on page 51.

The Chairman of the Committee, David Richardson, is a Chartered Accountant (FCA), having previously held a number of senior financial management and strategic planning positions in Whitbread plc from 1983 to 2005 (in the UK and US), becoming Group Finance Director in 2001. Prior to 1983, he held financial positions in ICL plc and Touche Ross & Co. In accordance with section 407 of the Sarbanes-Oxley Act of 2002, the Board has determined that David Richardson is an "audit committee financial expert" as that term is defined under the rules of the US Securities and Exchange Commission, having significant, relevant and up-to-date UK and US financial and accounting knowledge and experience.

Meetings

The Audit Committee meets at least four times a year and on other occasions when circumstances require. The quorum for a meeting of the Committee is two members. The Finance Director and representatives from the independent auditor and the internal auditor attend meetings under a standing invitation. The Chairman of the Board, the Chief Executive and other Directors are able to attend meetings of the Committee under the practice that any Director may attend any meeting of a Board Committee provided that they have no conflict of interest in respect of business to be discussed. It is usual practice for the Chief Executive to attend meetings of the Audit Committee. Other finance and business risk executives attend meetings and the Company Secretary is Secretary to the Committee. The Committee Chairman reports regularly to the Board on its activities. Five meetings were held during the year and attendance is set out in the table on page 53.

Work of the Committee

The Committee has established an "agenda framework" which Tomkins believes is vital for maintaining an appropriate focus on the objectives of the Committee. The agenda sets out all of the operational duties and responsibilities outlined in the Committee's terms of reference and is based on four regular meetings, in February, April, July and November, which coincide with the announcement of the quarterly results. The areas covered by the "agenda framework" are as follows:

1. Corporate Governance, including the regular review of the Committee's terms of reference and annual evaluation, regulatory issues, review of delegated authorities and review of auditor independence.
2. Internal Audit, including the review of the internal audit charter, internal audit review reports on the Group's internal control and risk assessment processes, compliance with auditing standards and progress against its internal audit plan, functional developments and key performance measures.
3. Confidential sessions with the independent auditors and the head of Internal Audit, in the absence of Directors and Company executives.
4. Financial Reporting, including current accounting and financial reporting matters and review of interim and annual statements prior to their submission to the Board for approval, which includes the consistency of judgements adopted.
5. Independent Auditors, including appointment, audit plan and scope, review of audit fees, cost effectiveness, approval of non-audit fees, reports on interim and annual financial statements, status reports, management letters and the nature and extent of non-audit services.

The audit plan and scope sets out details of the areas to be covered and how the audit is to be conducted. The Chairman of the Audit Committee meets periodically with the independent auditors to discuss progress on the audit and the major points to arise, and has the opportunity to assess the effectiveness of the process. The Committee is also able to assess the effectiveness of the auditors and the process through reports made to the Committee by the independent auditors.

In addition to the items considered by the Committee under the "agenda framework", during 2007 other important issues considered included regular reviews of the internal control systems and the statement to be made in the Directors' Report in respect of internal controls, Group risk profile, Group tax reports, updates on compliance with the Combined Code and approval of Form 20-F. The Committee received reports on the Company's efforts in countering potential fraud in the Group. Changes to the Internal Audit Charter were approved. Work on compliance with section 404 of the Sarbanes-Oxley Act of 2002 was completed during the early part of the year and was the focus of attention of the Internal Audit function during that period. The Internal Audit function is actively engaged in assessing the adequacy and effectiveness of the Group's system of internal control and risk management processes. Each quarter, the Committee receives a summary of reviews of the businesses risk management processes; any significant related financial exposures are also highlighted. The risk assessment process and risk mitigation plans are an important part of the development of business strategies. Business risks are considered at the quarterly reviews with the businesses, where all of the major strategic, operational, compliance and financial risks are discussed. Confidential meetings with representatives of the independent auditors and internal audit functions took place during the year in the absence of executives.

In determining its policy on the extent of non-audit services provided by the independent auditors, the Committee has taken account of the rules of the US Securities and Exchange Commission which regulate and, in certain circumstances, prohibit the provision of, certain types of non-audit services by the independent auditors. Non-audit services require the approval of the Chairman of the Audit Committee. During the year, certain projects requiring tax services were awarded to the firm of the independent auditors. In those cases where the work was awarded to the independent auditors, it was concluded that the firm of the independent auditors was best placed to supply such tax services in a cost-effective manner due to the experience and qualifications of the individuals providing such services, the independent auditors' knowledge of the Company and its tax affairs and that the best interests of the Company were served by engaging the firm of the independent auditors. The previous adoption of certain other rules by the Committee, including those relating to audit partner rotation, relevant ethical guidance issued by the professional bodies in the Consultative Committee of Accountancy Bodies (in particular that the independent auditors should not audit their own firm's work, make management decisions for the Company, create a mutuality of interest nor be put in the position of advocate for the Company), when taken together provide adequate protection of auditor independence. All fees proposed by the independent auditors must be reported to and approved by the Audit Committee or, between meetings, the Chairman of the Audit Committee. Details of audit fees for the year can be found in note 15 to the Group's consolidated financial statements.

The Company's practice, in accordance with UK company law and the Combined Code, in relation to the appointment and termination of the independent auditors, involves a recommendation from the Audit Committee to the Board, which will then make a recommendation to shareholders in general meeting. This differs from the procedure in the US, where the independent auditors are accountable to the Audit Committee, which has the authority to appoint or dismiss the independent auditors without reference to shareholders.

With the approval of the Board, the Committee has established guidelines for the recruitment of employees or former employees of the independent auditors. The Group will not engage, on a part-time or full-time basis, any person who is or was an employee of the Company's independent auditors, where that person has worked on the Group's audit either as a principal or partner at any time during a period of not less than three years prior to the proposed date of joining the Group. Certain less stringent conditions apply to other employees or former employees of the independent auditors.

A "whistleblowing" procedure has been established for the confidential and anonymous submission by employees of concerns regarding accounting, internal controls or auditing matters, in accordance with the requirements of section 301 of the Sarbanes-Oxley Act of 2002. Should a call be received on the dedicated telephone line, the Company Secretary or the General Counsel would immediately report to the applicable management all concerns raised. A course of action is agreed and a report is prepared for review at the next meeting of the Audit Committee, including details of actions taken to deal with the matters raised. The Chairman of the Committee will report, if appropriate, "whistleblowing" claims to the Committee and the Board. The Company's Code of Conduct and Ethics includes the "whistleblowing" procedure. Calls to the designated telephone number, as well as direct contacts with management, are made from time to time, but no issues material to the Company were dealt with by the Committee during the year.

Shareholders are given the opportunity at the AGM to ask the Chairman of the Committee questions on this report and any other related matter.

David Richardson
Chairman, Audit Committee

20 February 2008

Remuneration Committee report

1. Introduction

This report to shareholders sets out the membership of the Remuneration Committee and the names of the advisers who provided services to the Committee during the year ended 29 December 2007. The policies that have been followed by the Remuneration Committee during the year in determining the elements of executive remuneration are also set out, together with the policies and principles to be followed by the Committee over the next two years.

This report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002 ("DRRR"), which set out statutory requirements for the disclosure of Directors' remuneration. The report also meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the Principles of Good Governance relating to Directors' remuneration. The DRRR require the independent auditors to report to the Company's members on the auditable parts of the Remuneration Committee report and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Companies Act 1985.

The Board keeps under review the terms of reference for the Remuneration Committee, which are based on current best practice contained in the model terms of reference set out in the Guidance Note produced by the Institute of Chartered Secretaries and Administrators. The principal responsibility of the Committee is to determine the framework or broad policy for the Company's executive remuneration and the remuneration of the Chairman of the Board, for approval by the Board. The remuneration of Non-Executive Directors is a matter for the Board itself. The terms of reference of the Remuneration Committee can be found under "Governance" in the "Responsibilities" area of the Company's website, www.tomkins.co.uk. In addition, the Company takes full account of the guidelines published by the Association of British Insurers and the National Association of Pension Funds.

During the year, the Remuneration Committee was required to discuss and finalise John Zimmerman's remuneration package following his appointment as Finance Director on 1 October 2007, as well as assessing and approving awards under The Tomkins 2006 Performance Share Plan. The Committee reviewed calculations relating to awards made to Directors under the Annual Bonus Incentive Plan ("ABIP") and approved the granting of awards under The Tomkins 2005 Sharesave Scheme. The Committee was also required to test that performance targets in relation to the Tomkins Executive Share Option Schemes had been met on the last grant of awards dated 29 November 2004 and, having established that the targets had been achieved, declared the options exercisable. The annual base salary review for executives within the ABIP was carried out using the 12-month average RPI for UK executives (4.2%) and CPI for US executives (2.3%).

Details of the emoluments, bonuses, benefits-in-kind, incentive arrangements (including share options and other long-term incentives), pensions and service contracts applicable to each Director who served during the year ended 29 December 2007 are given in this report, which will be put to the vote of shareholders at the forthcoming AGM.

2. Membership of the Remuneration Committee and advisers

The Remuneration Committee is made up exclusively of Non-Executive Directors whom the Board determined to be independent, as each was found to be free from any material business or other relationship with the Company (either directly or as a partner, shareholder or officer of an organisation that has a relationship with the Company). Accordingly, the Board believes that there are no such relationships that could materially interfere with the exercise of their independent judgement. Richard Gillingwater and David Newlands served on the Committee throughout the year. Jack Keenan ceased to be a member of the Committee upon his retirement from the Board on 13 June 2007. Leo Quinn was appointed to the Committee on 31 July 2007. Iain Napier was appointed to the Committee and as Chairman on 31 July 2007 and stood down on 13 December 2007 upon his resignation from the Board. John McDonough was appointed Chairman of the Committee on 13 December 2007. The members of the Remuneration Committee at 29 December 2007 were John McDonough (Chairman), Richard Gillingwater, David Newlands and Leo Quinn.

There were no other changes to the membership of the Committee during the year. In June 2006, the Financial Reporting Council published an updated version of the Combined Code on Corporate Governance that, amongst other things, included a provision that permitted a company chairman to sit on the Remuneration Committee if considered independent on appointment. The Board is satisfied that the Chairman of the Board continues to be independent and David Newlands served as a member of the Remuneration Committee during the year.

The Committee consults with the Chief Executive concerning matters of executive remuneration. The Committee appointed PA Consulting Group to provide independent verification of the cost of capital in respect of the Company's 2006 Performance Share Plan, assistance with the remuneration arrangements in respect of John Zimmerman and a review of the fees of the Chairman and Non-Executive Directors. PA Consulting Group also provided support during a corporate strategy review. Mercer Human Resource Consulting provided professional advice to the Company and to the trustees of the pension schemes of Tomkins and some of its subsidiaries in respect of their respective pension arrangements and provided advice to Tomkins in respect of the placement and operation of life assurance.

Other than those consulting services mentioned above, PA Consulting Group and Mercer Human Resources had no connections with the Company.

3. Statement of the Company's policy on Directors' remuneration (unaudited information)

The policies operated by the Company during the year and those to be applied over the next two years are set out below:

A. Executive remuneration

The Company's policy on executive remuneration is that the Remuneration Committee and the Board should each satisfy itself that executives, including Executive Directors, are fairly rewarded for their individual contributions to the Group's performance. The Remuneration Committee has sought to ensure that Executive Directors receive a level of remuneration that is appropriate to their scale of responsibility and performance, and which will attract, motivate and retain individuals of the necessary calibre. The only pensionable element of Executive Directors' remuneration is basic salary. This policy applies whether or not an Executive Director is a member of the Tomkins Retirement Benefits Plan or has a personal pension arrangement.

B. Annual remuneration for executives

The Board recognises that one of its key objectives is to grow the value of the business for the benefit of shareholders and that such growth is strongly related, amongst other things, to the degree of entrepreneurial spirit in the Group. In order to create the necessary entrepreneurial impetus within an organisation, compensation arrangements are required which are similar to those that an owner of a business would seek. This has led to the adoption of a remuneration policy under which the levels of total remuneration are set in order to attract, retain and motivate executives.

The executive rewards at Tomkins have a standard composition, made up of three principal elements:

- Base salary
- Annual Bonus Incentive Plan ("ABIP")
- The Performance Share Plan ("PSP")

These standard elements form part of a carefully-designed system put in place between 2003 and 2006 to create an entrepreneurial focus on value creation. The process had three stages:

- First, we agreed a clear set of principles to guide system design
- Secondly, we drafted system structures which would embody these principles
- Finally we calibrated each element of the system to ensure enhanced rewards for above-target performance – and reduced rewards for below-target performance.

Remuneration is benchmarked against a series of comparable UK companies as well as North American auto-component manufacturers and is provided through a combination of base salaries at median level or below and annual bonuses that have a direct and proportionate link to total value created for shareholders. This provides the incentive for executives to act like owners of the business. The Remuneration Committee and the Board believe that this more closely aligns the interests of shareholders and management whereby executives only receive substantial rewards when they have created exceptional value in the business.

Over time and subject to the achievement of value-creating performance targets, this policy is likely to lead to a realignment of the component parts of total executive remuneration, so that a greater part of the total package received by executives is made up of incentive pay with the remainder coming from base salaries at the median level or below. The performance targets for the Company's Annual Bonus Incentive Plan and 2006 Performance Share Plan ensure that a substantial proportion of total

remuneration is directly related to actual measurable performance. Further details of the Annual Bonus Incentive Plan and the 2006 Performance Share Plan are set out in section 4B on pages 65 and 66.

C. Non-Executive Directors' fees and Chairman's remuneration

The executive members of the Board review the fees of Non-Executive Directors, who play no part in determining their own remuneration. The Chairman's remuneration is determined by the Remuneration Committee and is approved by the Board. The Chairman takes no part in the discussions and decisions relating to his own remuneration. The review of Non-Executive Directors' fees and the Chairman's remuneration takes place every two years.

D. Service contracts

The Company's policy on Directors' service contracts is that service contracts and letters of appointment for Executive Directors normally provide for notice periods of no longer than 12 months. On appointment, a longer notice period may apply, but this will reduce over time to the normal 12 months' notice period. Notwithstanding the provisions in an Executive Director's service contract or letter of appointment concerning termination payments, the Company will seek to reduce any compensation that may be payable to reflect the departing Director's obligation to mitigate loss.

E. External appointments

The Company's policy on external appointments is that, with the approval of the Chairman of the Board, Executive Directors are permitted to hold appointments outside the Company. Any fees payable in connection with such appointments are normally retained by Directors unless otherwise agreed. Further details are set out in section 10 on page 69.

F. Long-term incentives and share options

The Company has operated a number of share-based long-term incentive schemes in the past but, following a review of executive remuneration, the Remuneration Committee and Board expect the number of plans and schemes to reduce over time as they lapse and are not renewed or replaced. As previously reported, the Remuneration Committee and the Board decided not to continue with an executive share option scheme beyond 9 May 2005, the date on which the Company's Executive Share Option Schemes lapsed. Following shareholder approval, The Tomkins 2006 Performance Share Plan was introduced, a summary of which is set out in section 4B on page 66.

The Company operates an employee savings related share option scheme, the Tomkins 2005 Sharesave Scheme, which applies to all UK employees.

G. Retirement benefits

The Company's defined benefit pension plan was closed to new members in April 2002 and, since that time, the Company's policy has been that new employees, including Executive Directors and senior executives, will receive a payment from the Company to enable them to make contributions to pension plans of their choice on behalf of themselves and their dependants. No change to this policy is expected over the next two years.

Remuneration Committee report continued

4. Elements of remuneration (audited information)

Executive remuneration is comprised of base salary, a bonus (in three parts: cash, bonus shares and deferred shares) and benefits-in-kind. Non-Executive Directors are paid a basic fee and fees for their work on Board Committees. The table below sets out the remuneration paid to each Director.

A. Base salary, fees, bonuses and benefits-in-kind for year ended 29 December 2007

Directors' emoluments	Basic salary/fees £000	Bonus cash ⁽¹⁾ £000	Bonus shares ⁽¹⁾ £000	Bonus deferred shares ⁽²⁾ £000	Benefits-in-kind ⁽³⁾ £000	Pension contribution ⁽⁵⁾ £000	Compensation for loss of office ⁽⁸⁾ £000	Total emoluments	
								Year ended 29 December 2007 £000	Year ended 30 December 2006 £000
Chairman									
D B Newlands ⁽⁴⁾	190	–	–	–	–	–	–	190	191
Executive Directors									
J Nicol	879	653	163	326	45	330	–	2,396	2,539
K Lever (to 1 October 2007)	317	296	34	32	18	119	1,006	1,822	1,209
J W Zimmerman (from 1 October 2007)	68	57	14	28	2	21	–	190	–
Non-Executive Directors									
R D Gillingwater ⁽⁴⁾	71	–	–	–	–	–	–	71	26 ⁽⁷⁾
J M J Keenan (to 13 June 2007)	25	–	–	–	–	–	–	25	61
J McDonough ⁽⁴⁾ (from 14 June 2007)	34	–	–	–	–	–	–	34	–
I J G Napier ⁽⁴⁾ (from 14 June to 13 December 2007)	30	–	–	–	–	–	–	30	–
Sir Brian Pitman (to 13 June 2007)	26	–	–	–	–	–	–	26	63
L M Quinn ⁽⁴⁾ (from 6 July 2007)	31	–	–	–	–	–	–	31	–
D H Richardson ⁽⁴⁾ (from 1 March 2006)	62	–	–	–	–	–	–	62	52
D D S Robertson ⁽⁴⁾	66	–	–	–	–	–	–	66	62
N N Broadhurst (to 22 May 2006)	–	–	–	–	–	–	–	–	26
K J Minton (to 22 May 2006)	–	–	–	–	–	–	–	–	33
M F Wallach (to 1 May 2006)	–	–	–	–	–	–	–	–	16
	1,799	1,006	211	386	65	470	1,006	4,943	4,278

Notes

(1) Details of bonus payments in accordance with the Annual Bonus Incentive Plan are given in section B below.

(2) Deferred shares are held under the Annual Bonus Incentive Plan.

(3) Benefits-in-kind include medical cover, car and fuel benefits, and other benefits in accordance with their service contract.

(4) On 7 August 2007, 2,000 shares were purchased for each of the Non-Executive Directors at a market price of 244p per share. The cost of these shares formed part of their remuneration.

(5) See section 6 "Retirement benefits" below for more details.

(6) During the year, no Director exercised options and accordingly there were neither gains nor losses (year ended 30 December 2006 gains: J Nicol £1,333,000 and K Lever £1,155,000).

(7) Richard Gillingwater, in accordance with Cabinet Office guidelines, waived his fees for the period 1 January 2006 to 1 September 2006, when he was able to accept his fees.

(8) The compensation for loss of office payment to Ken Lever includes contractual salary, pension contributions, bonus and benefits in respect of his 51 week notice period, together with a payment as compensation for the loss of his employment.

Chairman's remuneration

With the assistance of PA Consulting, and having taken into consideration comparative remuneration data, the contribution made by the Chairman to the Company's affairs, the time he devotes to the Company's business, and the extra responsibilities placed upon him arising from the changes in corporate governance requirements in the UK and the US, the Remuneration Committee recommended to the Board that his remuneration should be increased from £185,000 plus 2,000 Tomkins plc shares per annum, to £205,000 plus 5,000 Tomkins plc shares per annum with effect from 1 January 2008. These recommendations were approved by the Board.

Non-Executive Directors' fees

With the assistance of PA Consulting, the executive members of the Board reviewed the fees paid to Non-Executive Directors and having taken into consideration comparative remuneration data, the contribution made by individual Non-Executive Directors to the Company's affairs, the time they devote to the Company's business, and the extra responsibilities placed upon them arising from the changes in corporate governance requirements in the UK and the US, approved an increase in the fees, to the following with effect from 1 January 2008, which represents an RPI increase over the period since the last review:

Basic fee

£45,815 p.a. (previously £42,500 p.a.); plus
2,000 Tomkins' shares p.a. (unchanged)

Additional fees

Audit Committee

Chairman: £16,170 p.a. (previously £15,000 p.a.)
Other members: £8,085 p.a. (previously £7,500 p.a.)

Remuneration Committee

Chairman: £10,780 p.a. (previously £10,000 p.a.)
Other members: £5,390 p.a. (previously £5,000 p.a.)

CSR Committee

Chairman: £13,475 p.a. (previously £12,500 p.a.)
Other members: £5,390 p.a. (previously £5,000 p.a.) plus
£1,617 per meeting day (previously £1,500 per meeting day)

Senior Independent Director

£16,170 p.a. (previously £15,000 p.a.)

B. Current schemes

Annual bonus incentive plan

The Executive Directors and senior executives participate in the Company's Annual Bonus Incentive Plan ("ABIP"). Each participant in the ABIP receives a percentage of "bonusable profit" of the business for which he or she has responsibility. Bonusable profit is based on operating profit less a charge for tax, certain exceptional items and a charge for invested capital. The objective of the ABIP is to reward the senior executives for increasing the overall value created in the business, based on the margin of the after-tax return on invested capital in excess of the weighted average cost of capital. Accordingly, bonusable profit may increase at a faster rate than operating profit where the margin of the return over the cost of capital increases. This aligns the interests of management and shareholders. In arriving at bonusable profit, adjustments may be made for restructuring charges relating to strategic manufacturing initiatives to match the costs of the strategic manufacturing initiatives to the benefits over a period of up to three years. The charge for taxation reflects the ongoing charge for tax excluding any benefit from exceptional adjustments to tax provisions. The charge for invested capital is based on applying the estimated weighted average cost of capital

to the average invested capital in the Group. The estimated weighted average cost of capital takes into account the capital structure of the Group and the costs associated with each element of capital. The method of calculation has been agreed by the Remuneration Committee and is subject to review each year. The invested capital is based on the book value of the Group's assets, excluding goodwill relating to acquisitions made prior to 30 December 1999. The cost of capital used in the calculation of bonusable profit for the year under review was 8.35%.

The Remuneration Committee carries out a detailed review of the computations involved and ensures that the rules are applied consistently. Furthermore, the independent auditors are asked to perform agreed-upon procedures on behalf of the Remuneration Committee on the calculations which underlie the computation of the bonusable profit. The incentive bonus of the Executive Directors is based on a percentage of the bonusable profit of the Group which, for the year ended 29 December 2007, was £96.0 million (2006: £111.3 million) and the respective bonusable profit percentages were: James Nicol (0.85%), Ken Lever (0.4%) and John Zimmerman (0.4%). James Nicol received the sum of £1,142,000 (2006: £1,324,000), and, while serving as Executive Directors, Ken Lever received the sum of £362,000 (2006: £623,000) and John Zimmerman received the sum of £99,000 (2006: £nil). Although there is no limit to the bonusable profit on which bonuses are calculated, inordinate growth in bonusable profit in any one year is unlikely to arise due to the nature of the Group's business.

The bonus awards are payable to senior participants, including Executive Directors, as to four-sevenths in cash, one-seventh in bonus shares and two-sevenths in deferred shares. The bonus awards payable to the remaining participants are as to three-quarters in cash, one-twelfth in bonus shares and one-sixth in deferred shares. The bonus is paid at the end of June, September and December based on 75% of the bonus earned to the end of the previous quarter, with the balance of the full entitlement to the bonus for the calendar year paid at the end of March following the calendar year-end. Bonus shares are restricted and vest only after a period of three years from the initial bonus award. Dividends are paid on the bonus shares. Deferred shares are awarded at the time of the initial bonus award but the vesting of the shares is conditional on continued employment with the Group for three years after the award. Dividends are not paid on the deferred shares until they have vested. On leaving the Company, the bonus shares will normally vest in full. In good leaver circumstances the deferred shares will vest on a pro-rata basis.

As a condition of continued participation in the ABIP, senior participants, including Executive Directors, are required to retain shares with a purchase cost equivalent to one year's total after-tax remuneration including bonus, based on an average of the previous three years. Remaining participants are required to hold shares with a purchase cost equivalent to one-half of one year's total after-tax remuneration including bonus, based on an average of the previous three years. Increases in annual base salary of all participants, including Executive Directors, are restricted to the equivalent rate of increase in the Retail Prices Index (in the UK) or equivalent index in the country in which a participant works. The restrictions on the increases in salary, together with the growth in bonus, assuming increases in bonusable profit, will result in the incentive pay element of remuneration increasing over time. The share awards will increase the investment each of the participants, including Executive Directors, has in Tomkins plc shares.

Remuneration Committee report continued

The Tomkins 2006 Performance Share Plan

The Tomkins 2006 Performance Share Plan (the "PSP") is a long-term incentive plan. The purpose of the PSP is two-fold. First, to provide a share-based long-term incentive arrangement for senior executives that more closely aligns the interests of executives with shareholders. Secondly, the PSP is in substitution of the Company's legal obligation to the Chief Executive to provide annual grants of options, which had previously been satisfied by the Executive Share Option Scheme that lapsed in May 2005. The Remuneration Committee considered the alternatives and, with the agreement of the Chief Executive and the assistance of PA Consulting Group, devised a plan that achieves those aims. The PSP will provide rewards in future years only if shareholders have seen value created over the preceding three years. The Remuneration Committee and Board believe that this creates a better alignment between executive reward and the creation of shareholder value than a standard executive share option scheme. The PSP has four key features: (i) the performance baseline is established which is equal to the cost of equity and if the total shareholder return (comprising dividends and increase in the share price) over three years does not exceed the cost of equity over the same three-year period, no award of shares will be made; (ii) the award of shares will be proportional to the degree of performance over the baseline; (iii) there is a "cap" on the quantum of share awards; and (iv) subject to performance, awards will be made at the end of each three-year performance period. The following maximum awards of Tomkins shares have been made to James Nicol, Ken Lever and John Zimmerman under the PSP:

Director	Date of award	Vesting date	Maximum number of Tomkins shares	Tomkins share price required for full vesting
J Nicol	22 November 2005	22 November 2008	1,041,666	384p
	22 November 2006	22 November 2009	1,152,737	347p
	22 November 2007	22 November 2010	1,606,296	249p
J W Zimmerman	22 November 2005	22 November 2008	208,333	384p
	22 November 2006	22 November 2009	230,547	347p
	22 November 2007	22 November 2010	481,889	249p
K Lever	22 November 2005	22 November 2008	312,500	384p
	22 November 2006	22 November 2009	345,821*	347p

(Note: Awards with a performance period commencing on 22 November 2005 were approved by shareholders at the AGM on 22 May 2006.)

* Ken Lever's PSP award granted on 22 November 2006 was forfeited on the cessation of his employment with Tomkins plc on 31 October 2007.

The net value of outstanding awards based on the share price as at year end 2007 was £nil (2006: £nil).

Share options

The Tomkins 2005 Sharesave Scheme

This is a standard HM Revenue & Customs-approved savings related share option scheme, which is open to employees who are resident for tax purposes in the UK.

C. Closed schemes

The following schemes are now closed.

The Tomkins Executive Share Option Scheme No. 3 ("ESOS 3") and The Tomkins Executive Share Option Scheme No. 4 ("ESOS 4")

ESOS 3 and ESOS 4 lapsed for grant purposes on 9 May 2005 and the Remuneration Committee and the Board decided not to continue with an executive share option scheme beyond that date.

ESOS 3 was an HM Revenue & Customs-approved scheme. ESOS 4 was not approved by HM Revenue & Customs. The options under both schemes mature after three years. All outstanding ESOS 4 options were granted to participants within the limit of four times their annual earnings. The performance condition for all outstanding options under ESOS 3 and ESOS 4 required that the growth in Tomkins' earnings per share must exceed the growth in the Retail Prices Index by an average of 2% per annum over a three-year period before an option can be exercised, which was in accordance with contemporary practice when the schemes were introduced in 1995.

The Tomkins Savings Related Share Option Scheme No. 2 ("SAYE 2")

This was a standard HM Revenue & Customs-approved savings related share option scheme, which lapsed for grant purposes on 9 May 2005.

The Tomkins Share Matching Scheme ("SMS")

Awards which had been made under a now expired scheme known as The Tomkins Restricted Share Plan and which had vested, were eligible for matching awards for the same number of shares under the SMS. Such awards could be for up to two conditional share matching awards vesting a further two years and four years respectively after the end of the original restricted period. The final grant of SMS awards vested during the year and the SMS has therefore now expired. With shareholder approval, this share scheme was introduced in 1996 with no performance conditions attached and, accordingly, it did not comply with Schedule A of the Combined Code.

Tomkins Premium Priced Option

This was an option specifically and solely granted to James Nicol as part of the incentive package to ensure he joined Tomkins. No performance conditions were attached to this option and it therefore does not comply with Schedule A of the Combined Code. It consists of a non-transferable option to acquire 5,076,142 shares. The exercise price was 197p per share in respect of 2,538,072 shares (A option shares), 276p per share in respect of 1,522,842 shares (B option shares) and 345p per share in respect of 1,015,228 shares (C option shares). The options have all vested and will lapse on 11 February 2012 or earlier in certain circumstances.

Ongoing option

This is an option specifically and solely granted to James Nicol on 11 February 2002 as part of the incentive package to attract him to the Company. It consists of a non-transferable option to acquire 1,522,842 shares at 197p per share, which became exercisable on 18 February 2005 provided the rate of increase of earnings per share over any three-year period was equal to or greater than the rate of increase of the Retail Prices Index plus 9%. This performance condition was met and the option has been exercised in respect of 972,842 shares. The option will lapse on 11 February 2012 or earlier in certain circumstances. If there is a variation in the share capital of the Company, the Remuneration Committee may adjust the number of shares in either the Tomkins Premium Priced Option or the Ongoing Option as it reasonably deems appropriate to take account of the variation.

Movements in Directors' Share Options during the year

	As at 29 December 2007	Granted or exercised in the year		Cancelled in the year		As at 30 December 2006*	Period of exercise	
	No.	No.	Exercise price (p)	No.	Exercise price (p)	No.	From	To
J Nicol	9,409,642	–	–	–	–	9,409,642	30 Dec 07	28 Nov 14
J W Zimmerman	225,000	–	–	–	–	225,000	30 Dec 07	28 Nov 14
K Lever	450,000	–	–	8,014	204.00	458,014	30 Dec 07	31 Oct 08

* Or later date of appointment

The table below details the weighted average price each Director would have had to pay to exercise his options and how much they were worth in monetary terms at the year-end and prior year-end.

	Weighted average exercise price (p) 29 December 2007		Weighted average exercise price (p) 30 December 2006*		Net value of unexercised options	
	Exercise price exceeds market price	Market price exceeds exercise price	Exercise price exceeds market price	Market price exceeds exercise price	29 December 2007 £000	30 December 2006 £000
J Nicol	242.36	–	281.26	200.58	–	2,049
J W Zimmerman	256.31	–	256.31	–	–	–
K Lever	256.31	–	256.31	204.00	–	3

* Or later date of appointment

The closing mid-market price of a Tomkins share as at 29 December 2007 was 179.75p with a range of closing prices during the year 31 December 2006 to 29 December 2007 of 172.50p to 302.50p.

Options included in the above table at 29 December 2007 relate to the Tomkins Executive Share Option Scheme No. 4 (J Nicol 3,775,486 shares, J Zimmerman 225,000 shares and K Lever 450,000 shares) and, in the case of James Nicol, the Tomkins Savings Related Share Option Scheme No. 2 (8,014 shares), the Premium Price Option (5,076,142 shares) and the Ongoing Option (550,000 shares).

Remuneration Committee report continued

Directors' interests in Tomkins shares at 29 December 2007

The Directors' current interests in Tomkins shares are set out on page 51 and, in the case of the Executive Directors, where appropriate these included shares held through their participation in the SMS.

The interests of the Directors in Tomkins ordinary shares held within the SMS that are yet to vest and yet to be included in Directors' remuneration were as follows:

Director	Scheme	29 December 2007 number	Awarded number	Vested number	30 December 2006* number	Vesting period
K Lever	SMS	–	–	1,809	1,809	2007
J W Zimmerman	SMS	–	–	2,252	2,252	2007

* Or later date of appointment

The value of entitlements held under the SMS for current Directors at 29 December 2007 was £nil (2006: £4,000). No shares were awarded to Directors during the year (2006: nil).

During the year, 4,061 shares worth £7,000 vested under the SMS (2006: nil).

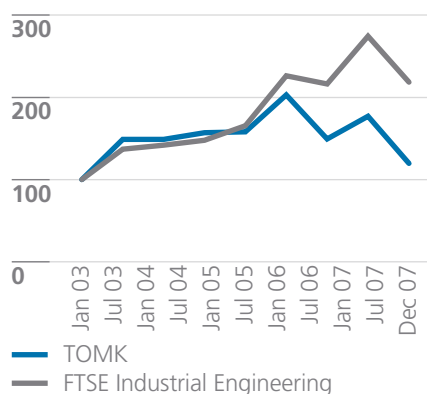
As no SMS awards remain outstanding, no current Director was required to retain shares in this respect at 29 December 2007 (2006: 3,618 shares required to be retained by Ken Lever in order to allow the SMS award that vested in 2007 to vest).

5. Performance graph (unaudited information)

The graph below plots Total Shareholder Return on a holding in the Company's shares for each of the past five years ended 31 December, measured against the performance of the FTSE Industrial Engineering Index.

This index was chosen because its major constituents are, like Tomkins, moderately diversified engineering groups with significant manufacturing operations outside the home UK market.

Total shareholder return (%) January 2003–December 2007



6. Retirement benefits (audited information)

James Nicol and Ken Lever were not entitled to any retirement benefits defined in terms of final or average salary but they received a payment at an annual rate of 37.5% of their basic salary to enable them to make contributions to retirement benefit schemes of their choice on behalf of themselves and their dependants. For the year ended 29 December 2007, this amounted to £330,000 (2006: £318,000) for James Nicol and £119,000 (2006: £153,000) for Ken Lever while he served as an Executive Director of the Company. At the time he joined the Company, Ken Lever was given the option to elect at any time to become a member of the Tomkins Retirement Benefits Plan or any other replacement pension scheme nominated by the Company, but did not do so during the period to 31 October 2007 when his employment ceased with the Company.

Payments totalling £21,000 were made to defined contribution pension plans on behalf of John Zimmerman from 1 October 2007 to the end of December 2007. In 2008, both James Nicol and John Zimmerman will receive a payment equal to 37.5% of their basic salary.

7. Service Contracts (unaudited information)

A summary of the service contract or letter of appointment of each of the Directors is as follows:

James Nicol – Chief Executive Officer.

The Company and James Nicol entered into a contract dated 11 February 2002, which set out the terms and conditions under which he joined the Company as Chief Executive Officer on 18 February 2002. The contract remains in force until terminated by either party giving notice of not less than 12 months.

Ken Lever – Finance Director (to 1 October 2007).

On 1 November 1999, Ken Lever and the Company entered into a Memorandum which set out the terms and conditions of employment under which Ken Lever joined the Company as Finance Director on that date. The terms of the Memorandum set a notice period of 51 weeks on termination by either party and remained in force until the cessation of his employment on 31 October 2007.

John Zimmerman – Finance Director (from 1 October 2007).

John Zimmerman's contract was signed on 18 February 2008 with an effective start date of 1 October 2007. The contract can be terminated by John Zimmerman by giving six months' notice or by the Company with immediate effect. Termination by the Company would under normal circumstances result in the equivalent of 12 months' salary and bonus being due to Mr Zimmerman in lieu of a notice period.

Non-Executive Directors

None of the Non-Executive Directors has a service contract with the Company, their terms of engagement being set out in a letter of appointment. Ordinarily, Non-Executive Directors serve for a period of two years but subject to agreement with the Board, a Non-Executive Director can be reappointed for a further term of up to three years. The appointment of Non-Executive Directors may be terminated before the conclusion of their two-year term by, and at the discretion of, either party upon two weeks' written notice.

In the case of David Newlands, the appointment is for a term of two years and may be terminated at any time by either party giving one month's written notice. None of the Non-Executive Directors is entitled to compensation for loss of office. The dates from which the respective letters of appointment are effective are as follows: Richard Gillingwater: 20 December 2007; David Newlands: 18 February 2007; John McDonough: 14 June 2007; Leo Quinn: 6 July 2007; Iain Napier: 14 June 2007 (left 13 December 2007); David Richardson: 1 March 2006 and Struan Robertson: 20 December 2007.

8. Payments made to and interests of former Directors (audited information)

Ken Lever stood down from the Board as Finance Director on 1 October 2007, but agreed to remain in the Company's employment until 31 October 2007 to assist with an orderly transition of responsibilities. Following his resignation from the Board on 1 October 2007, he was paid the sum of £76,000, representing entitlements due in respect of his employment for the month of October 2007, comprising salary, pension contributions, bonus and benefits. The amounts paid to Ken Lever while serving as an Executive Director and in respect of compensation for loss of office are set out in the remuneration table on page 64.

No other payments were made to former Directors during the year (2006: £nil).

9. Sums paid to third parties in respect of a Director's services (audited information)

No amounts are paid to third parties in respect of a Director's services to the Company or any company within the Group.

10. Sums received by Executive Directors from other external directorships (audited information)

During the year, Ken Lever served as a Non-Executive Director on the Board of iSOFT Group plc until 30 October 2007, for which he received fees of £50,000, which he retained and from 19 June 2007 served as a Non-Executive Director on the Board of Wolsey Group Limited for which he received no fees whilst an Executive Director of Tomkins. James Nicol and John Zimmerman hold no external directorships.

Compliance statement

The Company complies with the requirements of Schedule 7A of the Companies Act 1985 and the Listing Rules of the Financial Services Authority unless otherwise indicated. In preparing this report, the Remuneration Committee has given full consideration to the provisions set out in Schedule B to the Combined Code.

This Report has been approved by the Remuneration Committee and the Board and signed on their behalf by

John McDonough

Chairman, Remuneration Committee

20 February 2008