
**EBIQUITY PLC
REMUNERATION COMMITTEE
TERMS OF REFERENCE**

**APPROVED BY THE BOARD ON
6 JUNE 2014**

EBIQUITY PLC (the "Company")

REMUNERATION COMMITTEE - TERMS OF REFERENCE

1. Constitution

- 1.1 The remuneration committee of the Company (the "**Remuneration Committee**") has been established as a board committee in accordance with the Company's articles of association by resolution of the board of directors (the "**Board**").
- 1.2 The purposes for which the Remuneration Committee is established are to ensure that:
 - 1.2.1 levels of remuneration are sufficient to attract, retain and motivate executive directors of the quality required to run the Company successfully, without the Company paying more than is necessary for this purpose;
 - 1.2.2 a significant proportion of executive directors' remuneration is structured so as to link rewards to corporate and individual performance; and
 - 1.2.3 there is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors.

2. Duties and terms of reference

- 2.1 The Remuneration Committee shall determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chairman and the executive directors including pension rights and compensation payments. The remuneration of non-executive directors shall be a matter for the Board or the shareholders (within the limits set in the articles of association). No director shall be involved in any decisions as to their own remuneration.
- 2.2 In determining such policy, the Remuneration Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of such policy shall be to attract, retain and motivate the executive directors without paying more than necessary. The remuneration policy shall bear in mind the Company's appetite for risk and be aligned to the Company's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long term success of the Company.
- 2.3 When setting the remuneration policy for directors, the Remuneration Committee shall review and have regard to the pay and employment conditions across the Company and Group, especially when determining salary increases.
- 2.4 The Remuneration Committee shall review the ongoing appropriateness and relevance of the remuneration policy.
- 2.5 The Remuneration Committee shall review the design of all share incentive plans for approval by the Board and/or shareholders and the performance targets to be used.
- 2.6 The Remuneration Committee shall determine the policy for, and scope of, pension arrangements for each executive director.
- 2.7 Within the terms of the agreed policy and in consultation with the Company's Chairman and/or Chief Executive Officer as appropriate, the Remuneration Committee shall determine the total individual remuneration package of each executive director and the share options or other share awards (in aggregate)

proposed to be granted to the Company's management outside of the executive directors.

- 2.8 The Remuneration Committee shall:
- 2.8.1 ensure that contractual terms on termination and any payments made are fair to the individual and the Company; that failure is not rewarded and the duty to mitigate loss is fully recognised;
 - 2.8.2 oversee any major changes in employee benefits structures throughout the Company or Group; and
 - 2.8.3 agree the policy for authorising claims for expenses from the directors and use by directors of Company-issued credit cards.
- 2.9 The Remuneration Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee.
- 2.10 The Remuneration Committee shall obtain reliable, up-to-date information about remuneration in other companies of comparable scale. The Remuneration Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary to help it fulfil its obligations within any budgetary restraints imposed by the Board.
- 2.11 The Remuneration Committee shall consider such other matters as may be requested by the Board.
- 2.12 The Remuneration Committee shall not consider the remuneration of any non-executive director which shall be a matter for the Board or, where required by the articles of association, the shareholders who shall determine the remuneration within the limits set out in the articles of association.
- 2.13 In accordance with the resolution of the Board dated 6 June 2014, any member of the Remuneration Committee is authorised in conjunction with any executive director to approve on behalf of the Board all issues of shares by the Company arising on the exercise of employee share options.

3. **Membership**

- 3.1 The Board shall appoint the Remuneration Committee Chairman who shall be an independent non-executive director. The Chairman of the Board may also be Chairman of the Remuneration Committee if he is not independent solely by virtue of his position as Chairman of the Board. In the absence of the Remuneration Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.
- 3.2 The members of the Remuneration Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the Chairman of the Remuneration Committee. All of the members of the Remuneration Committee should be independent non-executive directors. For these purposes the Chairman of the Board will be considered independent if he is not independent solely by virtue of his position as Chairman of the Board.
- 3.3 Appointments to the Remuneration Committee shall be for such period as the Board determines, or if the Board determines of an indefinite period, provided the member continues to remain independent and meet the criteria for membership.
- 3.4 The Remuneration Committee shall have at least two members.

3.5 A quorum shall be any two members of the Remuneration Committee. All or any of the members of the Remuneration Committee may participate in a meeting of the Remuneration Committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A member of the Remuneration Committee so participating shall be deemed to be present in person at the meeting and shall be entitled to fully participate and be counted in the quorum accordingly.

4. **Voting arrangements**

4.1 Each member of the Remuneration Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Remuneration Committee.

4.2 The members of the Remuneration Committee shall, at the beginning of each meeting declare the existence of any conflicts of interest arising and the Secretary (as defined below) shall minute them accordingly.

4.3 If a matter that is considered by the Remuneration Committee is one where a member of the Remuneration Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

4.4 Save where he has a personal interest, the Remuneration Committee Chairman will have a casting vote.

5. **Attendance at meetings**

5.1 The Remuneration Committee will meet at least twice a year. The Remuneration Committee may meet at other times during the year as requested by the Remuneration Committee Chairman, normally immediately before or after regular meetings of the Board but formal meetings (particularly in relation to the formal grant of employee share options) may also be held by conference telephone or by video conference. Meetings may also be called by the Secretary at the request of any member of the Remuneration Committee.

5.2 Only members of the Remuneration Committee have the right to attend Remuneration Committee meetings but other directors, senior executives and external advisers may be invited to attend all or part of any meeting as and when appropriate.

5.3 The Company secretary or his or her nominee or such person as appointed by the Remuneration Committee shall be the secretary of the Remuneration Committee (the "**Secretary**") and will ensure that the Remuneration Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

6. **Notice of meetings**

6.1 Meetings of the Remuneration Committee shall be summoned by the Secretary at the request of the Remuneration Committee Chairman.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than two working days before the date of the meeting (although such notice period may be waived or shortened with the consent in writing of all members of the Remuneration Committee for the time being). Any supporting papers shall be sent to each member of the Remuneration Committee and to other attendees (as appropriate) at the same time.

7. **Authority**

- 7.1 The Remuneration Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to obtain, at the Company's expense, legal or professional advice on any matter within its terms of reference. A duly convened meeting of the Remuneration Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Remuneration Committee. The Remuneration Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Remuneration Committee.

8. **Reporting**

The proceedings and resolutions of the Remuneration Committee meetings, including the names of those present and in attendance shall be minuted by the Secretary. Draft minutes of each meeting will be circulated promptly to all members of the Remuneration Committee. Once approved, the minutes of each meeting will be circulated to all other members of the Board unless, in the opinion of the Remuneration Committee Chairman, it would be inappropriate to do so. The Remuneration Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9. **General Matters**

- 9.1 The Remuneration Committee Chairman should make himself or herself available at each Annual General Meeting of the Company to answer questions concerning the Remuneration Committee's work.
- 9.2 The Remuneration Committee shall arrange for periodic reviews of its own performance and, at least once a year, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 9.3 The Remuneration Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required and be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
- 9.4 The Remuneration Committee shall give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies and formation and operation of share schemes as appropriate.
- 9.5 The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.6 The Remuneration Committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in the QCA's Corporate Governance Code for Small and Mid-sized Companies, are fulfilled and, if requested by the Board, produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the Annual General Meeting. If the Remuneration Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.

- 9.7 Through the Chairman of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.