

THE PANOPLY HOLDINGS PLC

TERMS OF REFERENCE: REMUNERATION COMMITTEE

27 November  
DATED: 2018

These terms of reference set out the scope of the activities of the Remuneration Committee (the **Committee**) of the board of directors (the **Board**) of The Panoply Holdings PLC (the **Company**) which was established pursuant to a resolution of the Board passed on today's date.

**1. Membership**

- 1.1 The members of the Committee shall be appointed by the Board. The Committee shall consist of independent non-executive directors of the Company and the quorum for meetings of the Committee shall be two members. The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director of the Company.
- 1.2 Appointments of the Committee shall be for a period of up to three years, which may be extended by no more than two additional periods of three years provided the directors still meet the criteria for the membership of the Committee.

**2. Attendance at Meetings**

- 2.1 The chief executive shall be invited to and whenever possible shall be expected to attend all meetings of the Committee except where specifically personally conflicted.
- 2.2 Other Board members and any advisers appointed by the Committee may also be invited to attend where appropriate to assist in the effective discharge of the Committee's duties.
- 2.3 The Company Secretary, or his nominee, shall be the secretary of the Committee.
- 2.4 In accordance with the Company's articles of association, members of the Committee shall not vote on, or be counted in the quorum in relation to any resolution of the Committee concerning any contract, arrangement, transaction or any other proposal whatsoever to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him within the meaning of section 252 of the Companies Act 2006) is to his knowledge a material interest otherwise than in the restricted circumstances set out in the Company's articles association.

**3. Frequency of Meetings**

Meetings of the Committee shall be held not less than twice each year. The Committee may meet at other times during the year as agreed between the members of the Committee or as otherwise requested.

**4. Notice of Meetings**

- 4.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the chairman of the Committee or any two members of the Committee.
- 4.2 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 and all other non-executive directors no later than five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and other attendees (as appropriate) at the same time.

## **5. Authority**

### **5.1 The Committee is authorised by the Board to:**

- 5.1.1 investigate, or cause to be investigated, any activity within its terms of reference;
- 5.1.2 seek any information that it requires from any employee or director of the Company and all employees and directors shall be directed to co-operate with any request made by the Committee;
- 5.1.3 obtain such outside legal or independent professional advice as the Committee may think fit (and such advisors may attend meetings of the Committee as necessary); and
- 5.1.4 meet for despatch of its business, adjourn and otherwise regulate its business as it shall see fit, including approving items of business.

### **5.2 As a committee of the Board, the Committee shall have no executive powers.**

## **6. Duties**

### **6.1 The responsibilities of the Committee shall be to:**

- 6.1.1 consider and recommend to the Board remuneration policy for executive directors and senior employees (being employees reporting directly to executive directors) (including, without limitation, salary, incentive schemes, pension plans and other benefits and payments to be made on retirement, resignation or dismissal) and determine the specific remuneration arrangements (including the operation of any appropriate incentive schemes);
- 6.1.2 in determining such remuneration policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements. The objective of such policy shall be to attract, retain and motivate executive management and senior employees of the quality required to run the Company successfully without paying more than is necessary by reference to benchmarking, having regard to views of shareholders and other stakeholders. A proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;
- 6.1.3 when setting the remuneration policy for directors, review and have regard to pay and employment conditions across the Company or Group, especially when determining annual salary increases;
- 6.1.4 obtain reliable, up-to-date information about remuneration in other companies;
- 6.1.5 review the on-going appropriateness and relevance of the remuneration policy;
- 6.1.6 approve the terms of appointment for and determine the specific remuneration arrangements (including the operation of any appropriate incentive schemes) for the executive directors. The remuneration of non-executive directors shall be a matter for the executive members of the Board;
- 6.1.7 approve any contract of employment or related contract with executive directors on behalf of the Company;

- 6.1.8 determine the conditions and coverage of any incentive schemes (including any share option schemes) for the executive directors subject to agreement, as required, by shareholders in general meeting;
  - 6.1.9 determine the policy for, and scope of, pension arrangements for the executive directors;
  - 6.1.10 determine targets for any performance-related pay schemes operated by the Company for executive directors and senior employees;
  - 6.1.11 determine the issue and terms of all share-based plans available to all employees, subject to agreement by the Board and, as required, by shareholders in general meeting;
  - 6.1.12 determine the scope and content of the service agreements of the executive directors;
  - 6.1.13 determine the extent of compensation (if any) in the event of the termination of the service agreement of any of the executive directors, to ensure that such payments are fair, that failure is not rewarded and the duty to mitigate loss is fully recognised;
  - 6.1.14 review the policy for the approval of expenses incurred by the executive directors;
  - 6.1.15 approve the selection criteria, engagement and terms of reference of any consultants who advise the Committee (including former executive directors of the Company);
  - 6.1.16 be aware of, oversee and advise on any major changes in the Company's employee benefit structures;
  - 6.1.17 review any disclosures that the Company is required to make in respect of its activities, making any recommendations on how such disclosures should be represented for consideration by the Board;
  - 6.1.18 consider and recommend to the Board the contents of the Board's annual report to shareholders on directors' remuneration to be included in the Annual Report and Accounts (including the Company's policy on executive directors' remuneration, details of individual remuneration and other terms and conditions) and the Summary Financial Statement;
  - 6.1.19 work and liaise as necessary with all other committees of the Board;
  - 6.1.20 monitor that, in relation to remuneration, neither executive directors nor senior employees are discriminated against in any way whatsoever (whether on the basis of gender, sexual orientation, race or otherwise); and
  - 6.1.21 consider any other topics which may be referred to it by the Board from time to time.
- 6.2 In carrying out its responsibilities, the Committee shall give consideration to the guidance on remuneration principles and practice that are set out in the Financial Reporting Council's UK Corporate Governance Code and the AIM Rules for Companies and associated guidance and the QCA Guidelines for AIM Companies published by the Quoted Companies Alliance.

## **7. Reporting Procedures**

- 7.1 An agenda for each meeting shall be agreed between the chairman of the Committee and the Company Secretary and shall be circulated prior to each Committee meeting to the members of the Committee and all Board members.
- 7.2 The Company Secretary shall ascertain at the start of each meeting the existence of any conflicts and shall minute them accordingly.
- 7.3 The Company Secretary shall maintain and circulate minutes of meetings of the Committee to all members of the Board. The chairman of the Committee shall keep the Board fully informed as to the progress and/or resolution of all issues raised in all Committee meetings.
- 7.4 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.5 The Committee members shall undertake a review of the Committee's work and these terms of reference annually and, if necessary, make recommendations to the Board for the amendment of the terms of reference.
- 7.6 The Committee's duties and activities during the year shall be disclosed in the Company's Annual Report and Accounts.
- 7.7 The chairman of the Committee shall attend the Company's annual general meeting and shall answer questions, through the chairman of the Board, regarding the Committee's activities and responsibilities.

## **8. Other matters**

The Committee shall:

- 8.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary, other members of the Board and employees of the Company for assistance as required;
- 8.2 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;
- 8.3 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;
- 8.4 arrange for periodic reviews of its own performance and, at least annually, 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.