

EARTHPORT PLC

(the Company)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

Approved by the Board of the Company on 21 June 2017

In this document, the "**Board**" shall mean the Board of directors of the Company; the "**Committee**" shall mean the Remuneration Committee; the "**Company**" shall mean Earthport plc. [References to the "**Code**" are to the UK Corporate Governance Code/QCA Code].

1. Membership

1.1 The members of the Committee shall be recommended by the Nominations Committee and appointed by the Board. The Committee shall consist of at least two members. All members of the Committee shall be non-executive directors.

1.2 The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their numbers to chair the meeting.

2. Secretary

2.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

3. Quorum

3.1 The quorum necessary for the transaction of business shall be any two members present throughout the meeting.

4. Frequency of Meetings

4.1 The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require.

5. Notice of meetings

5.1 Notice of meetings may be given in writing, by email or verbally by the Secretary or their nominee at the request of any of its members.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

6. Attendance at Meetings

6.1 No one other than the Committee Chairman and members are entitled to attend and vote at a meeting of the Remuneration Committee.

6.2 Other individuals such as the Chairman of the Company, other directors, senior management and external advisers may be invited to attend by the Committee Chairman for all or part of the meeting as and when appropriate. No individual shall be involved in the decision relating to their own remuneration.

7. Minutes of Meetings

7.1 The Secretary or their nominee shall minute the proceedings and resolutions of all Committee meetings.

7.2 Minutes of the Committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes shall be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Committee chairman.

8. Annual General Meeting

8.1 The Chairman of the Committee shall attend the Annual General Meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

9 ROLES AND RESPONSIBILITIES

The Committee shall carry out the duties detailed below for the parent company, major subsidiary undertakings and the Group as a whole, as appropriate.

The responsibilities of the Committee are to:

9.1 Formulate and recommend to the Board the remuneration policy for executive directors and the chairman of the Board. These decisions are taken with the benefit of relevant independent professional advice. Remuneration for executive directors is deemed to include all aspects of remuneration including, without limitation, salary, annual and long term bonus, benefits from share and share option schemes, benefits in kind, pension entitlements, share ownership guidelines and any compensation payments.

In setting the remuneration policy for executive directors, the Committee will:

(a) consider all necessary relevant legal and regulatory requirements,

including the provisions and recommendations of the Code and associated guidance;

- (b) have regard to the risk appetite of the Company and alignment to the Company's long term strategic goals; and
- (c) review and have regard to pay and employment conditions across the Company, especially when determining annual salary increases.

The objective of the remuneration policy shall be to:

- (d) attract, retain and motivate employees of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders;
- (e) promote the long-term success of the Company; and
- (f) ensure that the performance-related elements of remuneration form a significant, yet appropriate proportion of the total remuneration package and are transparent, stretching and rigorously applied.

A sub-committee of the executive directors sets the fees of the non-executive directors, within the limits set by the Company's articles of association.

- 9.2 Review the on-going appropriateness and relevance of the remuneration policy.
- 9.3 Within the terms of the remuneration policy and in consultation with the chairman and/or chief executive as appropriate, determine the total individual remuneration package of each executive director and the chairman of the Board. The chief executive is responsible for determining the total individual remuneration package of each member of the Executive Team which shall be submitted to the Committee for agreement.
- 9.4 Consider whether executive directors should be required to hold a minimum number of shares for a further period after vesting or exercise, including a period after leaving the Company.
- 9.5 Design and invoke agreed safeguards, for example clawback, to protect against rewards for failure through appropriate risk management of incentive arrangements to ensure that any performance-related payments reflect actual achievements where possible.
- 9.6 Monitor the level and structure of remuneration for the Executive Team.
- 9.7 Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company, but within any budgetary restraints imposed by the Board.
- 9.8 Be exclusively responsible for establishing the selection criteria, selecting,

appointing and setting the terms of reference of any external consultants who advise the Committee.

- 9.9 Review the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve total annual payments made under such schemes.
- 9.10 Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and the Executive Team and, if relevant, the performance targets to be used. The Committee shall review dilution limits and headroom prior to granting any awards under the Company's various share schemes.
- 9.11 Determine the policy for, and scope of, pension arrangements for each executive director and the Executive Team and consider the pension consequences and associated costs to the Company of basic salary increases and other changes in remuneration.
- 9.12 Ensure that contractual arrangements for termination and any payments made, are fair both to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 9.13 In determining such packages and arrangements, the Committee shall give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code, the QCA Corporate Governance Guidelines for AIM companies, the London Stock Exchange's rules for AIM companies and guidance published by the Association of British Insurers and the National Association of Pension Funds;
- 9.14 Oversee any major changes in employee benefit structures throughout the Company.
- 9.15 Agree the policy for authorising claims for expenses from the executive directors and chairman of the Board. The policy for authorising claims for expenses from other non-executive directors shall be agreed by the Board.
- 9.16 Monitor and review periodically the terms of any proposed letter of appointment or contract or termination arrangements relating to any executive director or the chairman of the Board.
- 9.17 Work and liaise as necessary with all other Board Committees.
- 9.18 Consider any other matters related to the remuneration of directors which the Board may ask it to consider.
- 9.19 Ensure, where relevant, that any payments made are permitted under the latest shareholder approved remuneration policy and, if not, that either a revised remuneration policy or the proposed payment is submitted for shareholder approval.

10. Reporting

10.1 The Chairman of the Committee will report to the Board on the proceedings of the Committee at the Board meeting next following a meeting of the Committee.

10.2 The Committee shall ensure that all relevant disclosures are made in the Annual Report and Accounts in compliance with the Companies Act 2006 and other regulatory requirements.

11. Other

11.1 The Committee shall, have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.

12. Authority

12.1 The 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, professional advice on any matter within its terms of reference.

12.2 The 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 Committee.