



## Frontier IP Group plc

### Remuneration Committee Terms of Reference

**August 2018**

Adopted by the board on 22 August 2018

*Reference herein to “the Committee” shall mean the Remuneration Committee; and to “the Board” shall mean the Board of Directors of the Company.*

#### **1. Role**

The Board has appointed a Remuneration Committee whose main role and responsibilities are to:

- determine and agree with the Board the remuneration of the Group’s Chief Executive, Executive Directors and such other members of the executive management as it is designated to consider;
- review the on-going appropriateness and relevance of the remuneration policy;
- approve any performance related pay schemes and approve the total annual payments made under such schemes; and
- review share incentive plans and 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 other senior executives and the performance targets to be used.

#### **2. Duties and terms of reference**

2.1 The Committee shall determine and agree with the Board the framework or broad policy for the remuneration of the Company’s Chief Executive Officer, the executive directors, the Company Secretary and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the executive members of the Board. The remuneration of the non-executive Chairman shall be a matter for the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration.

2.2 In determining such policy, the Committee shall take into account all factors it deems necessary. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with



appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.

- 2.3 The Committee shall review the ongoing appropriateness and relevance of the remuneration policy.
- 2.4 The Committee shall approve the design of, and determine targets for, any performance-related pay schemes operated by the Company, and approve the total annual payments made under such schemes.
- 2.5 The Committee shall review the design of all share incentive plans for approval by the Board and, where necessary, shareholders, and for any such plans shall determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used.
- 2.6 The Committee shall determine the policy for, and scope of, pension arrangements for each executive director and other senior executives.
- 2.7 The Committee shall ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 2.8 Within the terms of the agreed policy and in consultation with the Chief Executive and/or Chairman as appropriate, the Committee shall determine the total individual remuneration package of each executive director and other senior executives including bonuses, incentive payments and share options or other share awards.
- 2.9 In determining such packages and arrangements, the Committee shall give due regard to any relevant legal requirements, the provisions and recommendations in the QCA Corporate Governance Code and the AIM Rules for Issuers and associated guidance.
- 2.10 The Committee shall:
  - (a) review and note annually the remuneration trends across the Company and group;
  - (b) oversee any major changes in employee benefits structures throughout the Company and group; and



- (c) agree the policy for authorising claims for expenses from the Chief Executive Officer.

- 2.11 The Committee shall give due consideration to laws and regulations and any published guidelines or recommendations regarding the remuneration of directors of quoted companies and the formation and operation of share schemes including but not limited to the provisions of the QCA Corporate Governance Code and the requirements of the UK AIM Rules and any other applicable rules, as appropriate.
- 2.12 The 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 Committee.
- 2.13 The Committee shall consider such other matters as may be requested by the Board.

### **3. Membership**

- 3.1 The members of the Committee shall be appointed by the Board. At least two members of the Committee should be non-executive directors. Appointments to the Committee shall be for periods of up to three years, which may be extended for two further three-year periods provided the director still meets the criteria for membership of the Committee.
- 3.2 The Committee shall have at least two members.
- 3.3 The current Committee members are three non-executive directors, one of which chairs the Committee. A quorum shall be any two members of the Committee. The members of the Committee can be varied at any time by a majority resolution of the existing members of the Committee, save that any additional appointment must be a non-executive director.

### **4. Voting arrangements**

- 4.1 Each member of the 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 Committee.



- 4.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly, has a personal interest, that member shall not be permitted to vote at the meeting.
- 4.3 Save where he has a personal interest, the Chairman of the Committee will have a casting vote.

## **5. Attendance at meetings**

- 5.1 The Committee will meet at least once a year. The Committee may meet at other times during the year as agreed between the members of the Committee.
- 5.2 The quorum for any meeting of the Committee is two members.
- 5.3 Other directors and external advisers may be invited to attend all or part of any meeting as and when appropriate.
- 5.4 The Company Secretary shall be the secretary of the Committee.

## **6. Notice of meetings**

- 6.1 Meetings of the Committee shall be summoned by the Company Secretary at the request of any of its members.
- 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 ten days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee at the same time.

## **7. Authority**

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, legal or professional advice on any matter within its terms of reference. The Committee is authorised to seek any information it requires from any employee or director or adviser or consultant to the Company, and all such



persons will be directed to co-operate with any request made by the Committee.

## **8. Reporting**

- 8.1 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 8.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3 Draft minutes of each meeting shall be circulated to all members of the Committee. On finalisation and signature by the Chairman of the Committee, the minutes of each meeting shall be submitted to the Board as a formal record of the decisions of the Committee on behalf of the Board unless a conflict of interest exists.

## **9. General matters**

- 9.1 The Chairman of the Committee shall make himself available at each Annual General Meeting of the Company to answer questions concerning the Committee's work during the preceding year.
- 9.2 The Committee shall report formally to the Board on proceedings after each meeting and the recommendations of the Committee, as recorded in the minutes, must be approved by the Board before they can be implemented.
- 9.3 The Committee shall, at least once a year, review its own performance, 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.