

1. INTRODUCTION

1.1 On 14 June 2016, the Board resolved, in accordance with the Articles of Association of the Company, to confirm the terms of reference of the remuneration committee of the Board.

1.2 The purpose of this document is to set out:

- a. the duties and responsibilities of the Committee; and
- b. the constitution of the Committee and the regulations governing proceedings of the Committee.

1.3 In this document, references to:

- a. the "Board" are to the board of directors of the Company from time to time; and
- b. the "Committee" are to the remuneration committee of the Board.

2. MEMBERSHIP

2.1 The members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the Chair of the Remuneration Committee

2.2 The Committee shall consist of at least two members, all of whom are independent non-executive directors of the Company (unless, and only for so long as, exceptional circumstances require otherwise). The chairman of the Board shall be eligible to be appointed as a member of the Committee provided that he was considered independent at the time of his appointment as chairman of the Board (unless, and only for so long as, exceptional circumstances require otherwise).

2.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for up to two further periods of three years, provided the director in question remains independent.

3. CHAIRMAN

3.1 The Board shall appoint the chairman of the Committee who shall be an independent non-executive director (unless, and only for so long as, exceptional circumstances require otherwise). The chairman of the Board shall not be eligible to be appointed as chairman of the Committee (unless, and only for so long as, exceptional circumstances require otherwise).

3.2 In the absence of the chairman of the Committee at any meeting of the Committee, the members of the Committee present shall elect one of their number to chair the meeting.

4. SECRETARY

The company secretary or his or her nominee shall act as the secretary of the Committee.

5. MEETINGS

5.1 Meetings of the Committee shall be held at such times as the chairman of the Committee shall require but not less than three times a year.

5.2 Only members of the Committee are entitled as of right to attend meetings of the Committee but others (such as the chief executive, the head of human resources and external advisers) may be invited by the Committee to attend all or part of any meeting as and when the Committee considers appropriate.

6. NOTICE

6.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of the chairman of the Committee.

6.2 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 proposed attendee and all other non-executive directors of the Company, not later than five working days before the date of the meeting. Supporting papers shall be sent to members of the Committee and (as appropriate) any other proposed attendee at the same time.

7. QUORUM

The quorum necessary for the transaction of business at meetings of the Committee shall be two members. A duly convened meeting of the 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 Committee.

8. VOTING

8.1 Matters arising at any meeting of the Committee shall be decided by a majority of votes (or, where there are only two members, by a unanimous vote).

8.2 Each member of the Committee present at a meeting of the Committee shall have one vote on matters arising at the meeting. The chairman of the Committee shall not have a casting vote on any matter in respect of which there is an equality of votes.

8.3 A member of the Committee shall not vote in respect of any matter being considered by the Committee in which they have, directly or indirectly, a personal interest (other than as a shareholder of the Company) and shall not be counted in the quorum at a meeting in relation to any matter on which they are debarred from voting.

9. DUTIES AND RESPONSIBILITIES

The Committee shall:

- a. determine and agree with the Board the framework or broad policy for the remuneration of the Company's chief executive, chairman, 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 chairman and the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration;
- b. in determining such policy, take into account all factors which 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. In addition, consideration will also be given to employment conditions elsewhere in the Company when determining annual salary increases and the broader remuneration packages for the executive directors;
- c. review the ongoing appropriateness and relevance of the remuneration policy;
- d. 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;
- e. review the design of all share incentive plans for approval by the Board and shareholders. For any such plans (including, but not limited to, the Sportech Performance Share Plan), 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 measures and targets to be used;

- f. determine the policy for, and scope of, pension arrangements for each executive director and other senior executives;
- g. 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;
- h. within the terms of the agreed policy and in consultation with the chairman and/or chief executive as appropriate, 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;
- i. in determining such packages and arrangements:
 - give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code and the UK Listing Authority's Listing Rules and associated guidance; and
 - consider and review the risk implications in respect of the design, implementation and operation (including payout) of remuneration arrangements across the company. This may involve seeking advice from the Audit Committee in relation to setting performance objectives in the context of incentive packages and monitoring potential conflicts of interest in respect of executives with risk and/or compliance responsibilities. Should there be any disagreements arising in relation to the interaction between remuneration and risk, the final decision will reside with the Remuneration Committee;
- j. review and note annually the remuneration trends across the Company and its major subsidiaries;
- k. oversee any major changes in employee benefits structures throughout the Company and its major subsidiaries;
- l. agree the policy for authorising claims for expenses from the chief executive and chairman;
- m. review annually the shareholdings of the executive directors in the context of the share ownership guidelines;
- n. ensure that all provisions regarding disclosure of remuneration including pensions, as set out in Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the UK Corporate Governance Code, are fulfilled;
- o. shall take into account, including on recruitment or termination, that remuneration to be paid to a director which is outside the shareholder approved policy in place at the time the payment is made, will require separate shareholder approval; and
- p. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and for obtaining reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

10. MINUTES OF MEETINGS

10.1 The secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance.

10.2 Minutes of meetings of the Committee shall be circulated promptly to all members of the Committee and, when finalised and agreed, to all other members of the Board, unless a conflict of interest exists.

11. REPORTING RESPONSIBILITIES

11.1 The chairman of the Committee shall report formally to the Board on the proceedings of the Committee following each meeting on all matters within its duties and responsibilities.

11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

11.3 The Committee shall produce a three part annual report of the Company's remuneration policy and practices for directors and of the activities of the Committee which will form part of the Company's Annual Report. The Committee's annual report shall comprise:

- a. a Statement from the Chairman of the Committee;
- b. a section on future remuneration policy for board directors (Directors' Remuneration Policy) (albeit this section may be excluded in the years that shareholder approval for the policy is not being sought); and
- c. a section on how board directors' remuneration policy has been implemented in the preceding year (Annual Report on Remuneration).

11.4 The Directors' Remuneration Policy shall be put to a binding shareholder vote at least every 3 years and the Annual Report on Remuneration to an advisory shareholder vote each year at the Annual General Meeting in compliance with the reporting regulations.

11.5 The Committee shall make available these terms of reference, explaining its role and the authority delegated to it by the Board.

12. AUTHORITY

The Committee is authorised by the Board:

- a. to obtain, at the Company's expense, external legal or other professional advice on any matter within its terms of reference; and
- b. to seek any information it requires from any director or employee of the Company in order to perform its duties.

13. GENERAL

13.1 The chairman of the Committee shall attend each Annual General Meeting of the Company prepared to respond to any shareholder questions concerning the Committee's activities.

13.2 The chairman of the Committee shall engage with the Company's principal shareholders as necessary from time-to-time and report to the Committee their views on remuneration matters and voting policies.

13.3 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.

13.4 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.

13.5 The Committee will be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.