

PANMURE GORDON & CO. PLC

**REMUNERATION COMMITTEE
TERMS OF REFERENCE**

1. Structure

1.1 Members

The current members of the Committee are:

Anthony Cann	Non-Executive Director
Simon Heale	Non-Executive Director
Shahzad Shahbaz	Non-Executive Director
Ed Warner	Non-Executive Director

Other directors, the Head of HR or representatives of external advisors will be invited to attend as appropriate.

Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided that the majority of the Committee members remain independent.

1.2 Chairman

Anthony Cann currently acts as chairman of the Remuneration Committee. In his absence, the members present will choose a person to act as chairman for the meeting.

1.3 Secretary

The Company Secretary will act as Secretary to the Remuneration Committee.

1.4 Quorum

The quorum for a meeting of the Remuneration Committee shall be two.

1.5 Meetings

The Remuneration Committee will meet at least once a year and on an ad-hoc basis as and when required.

2. Responsibilities of the Remuneration Committee

The responsibilities of the Committee are:

- To 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.

- In determining such policy, to 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.
- To review the ongoing appropriateness and relevance of the remuneration policy;
- To 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;
- To review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, to 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.
- To determine the policy for, and scope of, pension arrangements for each executive director and other senior executives.
- To 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 recognized.
- 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, including the remuneration packages of any individuals whose remuneration might be expected to exceed the median compensation of executive board members.
- In consultation with the executive directors, determine the remuneration packages of employees in compliance, risk management and internal audit functions.
- In determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code and the UK Listing Authority's Listing Rules and associated guidance.
- To co-ordinate closely with the Board in relation to the remuneration to be offered to any new executive director.
- To review and note annually the remuneration trends across the company or group.
- To oversee any major changes in employee benefits structures throughout the company or group.
- To ensure that all provisions regarding disclosure of remuneration including pensions, as set out in regulation and the Combined Code are fulfilled to the extent deemed appropriate for the AIM-listed nature of the Company.
- To 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 to obtain 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 to fulfil its obligations.

3. Reporting Responsibilities

- 3.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 3.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 3.3 The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's annual report and ensure each year that it is put to shareholders for approval at the AGM.

4. Annual General Meeting

The Chairman of the Committee will attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

5. Authority

- 5.1 The Remuneration Committee has the authority to seek any necessary information to fulfil its responsibilities and all management and employees are directed to co-operate with any request made by the Committee.
- 5.2 The Committee has the right to obtain external legal assistance and any professional advice which might be necessary for the fulfilment of its duties at the cost of the Company.

6. Minutes

Minutes of decisions will be recorded for each meeting of the Remuneration Committee. All minutes are to be signed by the Chairman of the meeting. Once agreed, a copy of the minutes will be sent to all members of the Board, unless a conflict of interest exists.