

Malin Corporation plc (the "Company")

Terms of reference for the Remuneration Committee (the "Committee")

of the Board of Directors (the "Board")

Adopted by the Board on 3rd March 2015

There shall be established a Committee of the Board, duly constituted in accordance with the main provisions of the Quoted Companies Alliance Corporate Governance Code for Small to Mid-size Quoted Companies and the Company's articles of association, to be known as the Remuneration Committee.

1. MEMBERSHIP

- 1.1. Members of the Committee shall be appointed by the Board on the recommendation of the nomination Committee and in consultation with the Remuneration Committee chairman. The Committee shall be made up of at least two non-executive directors of the Board, at least one of whom shall be an independent non-executive director.
- 1.2. Members of the committee have the right to attend committee meetings. All other directors of the Company shall have a standing invitation but not an obligation to attend Committee meetings subject to discussing their attendance with the Committee Chairman prior to the relevant meeting. Other representatives from the service providers to the Company may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 1.3. Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to meet the criteria for membership of the Committee.
- 1.4. The Board shall appoint the Committee chairman who should be an independent non-executive director. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The chairman of the Board shall not be the chairman of the Committee.
- 1.5. The Board will have the authority to remove any Committee member at any time with or without cause.

2. SECRETARY

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

3. MEETINGS

- 3.1. The quorum necessary for the transaction of business 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. The Committee shall meet at least once a year and otherwise as required or as agreed between the members of the Committee.
- 3.2. Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairman.
- 3.3. 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 and any other person required to attend, if any, 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.
- 3.4. The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other

members of the Board, if any, unless it would be inappropriate to do so in the opinion of the Committee chairman.

4. ANNUAL GENERAL MEETING

The Committee chairman should attend the annual general meeting of the Company to answer any shareholder questions on the Committee's activities.

5. DUTIES

The Committee should carry out the duties below in respect of the Company and, where appropriate, reference to the Company includes its subsidiaries and the group as a whole:

- 5.1. The Committee shall determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chairman and the executive directors including pension rights and compensation payments. The remuneration of non-executive directors shall be a matter for the Board. No director or senior manager shall be involved in any decisions as to their own remuneration. The Committee shall recommend and monitor the level and structure of remuneration for senior management.
- 5.2. In determining such policy, the Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of such policy shall be to attract, retain and motivate the executive management of the Company without paying more than necessary. The remuneration policy shall bear in mind the Company's appetite for risk and be aligned to the Company's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long term success of the Company.
- 5.3. When setting remuneration policy for directors, the Committee shall review and have regard to the pay and employment conditions across the Company or the Company's group (the **Group**), especially when determining salary increases.
- 5.4. The Committee shall review the ongoing appropriateness and relevance of the remuneration policy.
- 5.5. The Committee shall approve the design of, and determine targets for, any performance related pay plans operated by the Company and approve the total annual payments made under such plans.
- 5.6. The Committee shall review the design of all share incentive plans for approval by the Board. For any such plans, the Committee shall determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, company secretary and other senior executives and the performance targets to be used.
- 5.7. The Committee shall determine the policy for, and scope of, pension arrangements for each executive director and other senior executives.
- 5.8. Within the terms of the agreed policy and in consultation with the chairman of the Board and/or chief executive of the Company as appropriate, the Committee shall determine the total individual remuneration package of the chairman, each executive director, the company secretary and other senior executives including bonuses, incentive payments and any share awards.
- 5.9. The Committee shall:
 - (a) ensure that contractual terms on termination and any payments made are fair to the individual and the Company; that failure is not rewarded and the duty to mitigate loss is fully recognised;
 - (b) oversee any major changes in employee benefits structures throughout the Company or Group; and
 - (c) agree the policy for authorising claims for expenses from the directors.
- 5.10. 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.

- 5.11. The Committee shall obtain reliable, up-to-date information about remuneration in other companies of comparable scale. The Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary to help it fulfil its obligations within any budgetary restraints imposed by the Board; and
- 5.12. The Committee shall consider such other matters as may be requested by the Board.

6. REPORTING RESPONSIBILITIES

- 6.1. The Committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

7. OTHER MATTERS

The Committee shall:

- 7.1. have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 7.2. 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;
- 7.3. ensure that provisions regarding disclosure of information, including pensions are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report.
- 7.4. 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;
- 7.5. oversee any investigation of activities which are within its terms of reference; and
- 7.6. make available its terms of reference, explaining its role and the authority delegated to it by the Board.

8. VOTING ARRANGEMENTS

- 8.1. 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.

9. AUTHORITY

The Committee is authorised by the Board to:

- 9.1. undertake any activity within its terms of reference;
- 9.2. do all matters as the Committee believes appropriate in respect of the conduct of its duties, including, without limitation, the matters referred to herein;
- 9.3. obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference, such advice to be coordinated through the chairman of the Committee; and
- 9.4. 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.