

FOXTONS GROUP PLC

(the "Company")

REMUNERATION COMMITTEE TERMS OF REFERENCE

1. MEMBERSHIP

- 1.1. The committee shall comprise at least two members, all of whom shall be independent non-executive directors. The chair of the Board may also serve on the committee as an additional member if he or she was considered independent on appointment as chair. 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.
- 1.2. Only members of the committee have the right to attend committee meetings. However, other individuals such as the chief executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3. Appointments to the committee are made by the Board and shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members (other than the chair of the Board, if he or she is a member of the committee) continue to be independent.
- 1.4. The Board shall appoint the committee chair who shall be an independent non-executive director. Before appointment as committee chair, the appointee should [if possible] have served on a remuneration committee for at least 12 months. In the absence of the committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the relevant meeting who would qualify under these terms of reference to be appointed to that position by the Board. The chair of the Board shall not be chair of the committee.

2. SECRETARY

The company secretary or his or her nominee shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to its business.

3. QUORUM

- 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.

- 3.2. The members of the committee shall, at the beginning of each meeting, declare the existence of any conflicts of interest arising and the secretary of the committee shall minute them accordingly.
- 3.3. The members of the committee may meet for the despatch of business, adjourn and otherwise regulate meetings as they think fit. Without prejudice to the foregoing, all or any of the members of the committee may participate in a meeting of the committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A member of the committee so participating shall be deemed to be present in person at the meeting and shall be entitled to fully participate and be counted in the quorum accordingly.

4. MEETINGS

The committee shall meet at least twice a year and otherwise as required.

5. NOTICE OF MEETINGS

- 5.1. Meetings of the committee shall be called by the secretary of the committee at the request of the committee chair.
- 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.
- 5.3. The notice period set out in 5.2 may be reduced at the sole discretion of the committee chair to whatever he/she considers appropriate.

6. MINUTES OF MEETINGS

- 6.1. The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 6.2. 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 unless in the opinion of the committee chair it would be inappropriate to do so.

7. ANNUAL GENERAL MEETING

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

8. DUTIES

The committee should carry out the duties detailed below for the Company, its subsidiary undertakings and its Group as a whole, as appropriate.

The committee shall:

- 8.1. have responsibility for setting the remuneration policy for all executive directors and, from the financial year commencing 1 January 2019, also for senior management of the Group (being the first level of management below Board level, including the company secretary) and the Company's chair, including pension rights and any compensation payments. The Board itself or, where required by the Company's articles of association, the Company's shareholders should determine the remuneration of the non-executive directors within the limits set in the Company's articles of association. No director or senior manager shall be involved in any decisions as to their own remuneration;
- 8.2. review and monitor the level and structure of remuneration for the Group's senior management and, from the financial year commencing 1 January 2019, approve the remuneration for senior management of the Group;
- 8.3. in determining such policy, ensure that remuneration is designed to support strategy and promote the long-term, sustainable success of the Company, taking into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance including, but not limited to, the requirement for remuneration to be clearly linked to the successful delivery of the Company's long-term strategy. The committee shall also have regard to any concerns raised by the Board on the implications of the remuneration policy for risk and risk management. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment 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 designed to promote the long-term success of the Company;
- 8.4. when setting remuneration policy for directors and, where relevant, senior managers, review and have regard to pay and employment conditions across the Group, especially when determining annual salary increases;
- 8.5. review the on-going appropriateness and relevance of the remuneration policy. In addition to meeting the objectives in paragraph 8.3, the remuneration policy and practices should be designed so that they are:
 - (i) transparent and promote effective engagement with shareholders and the workforce;
 - (ii) simple and avoid complexity;
 - (iii) designed to ensure reputational risks from excessive awards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated;
 - (iv) motivational and fair;

- (v) proportionate; and
 - (vi) aligned to culture in order to drive behaviours consistent with company purpose, values and strategy;
- 8.6. within the terms of the agreed policy and in consultation with the chair and/or chief executive, as appropriate, determine the total individual remuneration package of the chair of the Board and each executive director, including bonuses, pensions arrangements, incentive payments, share options or other share awards and any other benefits in kind;
 - 8.7. obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity and market practice generally. 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;
 - 8.8. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee;
 - 8.9. approve the design of, and determine targets for, any performance-related pay schemes operated by the Company (including the application of relevant performance criteria) and approve the total annual payments made under such schemes;
 - 8.10. review the design and implementation of all share incentive plans for approval by the Board and, where applicable, by 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, company secretary and other designated senior executives and the performance targets to be used. Such determination shall take account of dilution limits and headroom capacity within the relevant share incentive plans and the financial impact of awards on the Group;
 - 8.11. ensure remuneration schemes promote long-term shareholdings by executive directors that support alignment with long-term shareholder interests;
 - 8.12. approve the share ownership policy and regularly monitor compliance with the policy;
 - 8.13. determine the policy for, and scope of, service agreements, termination payments, compensation commitments and pension arrangements for each executive director and other designated senior executives. The pension contribution rates available to the workforce should be taken into account when setting the rates for executive directors, or payments in lieu;
 - 8.14. ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, and in accordance with legal and regulatory requirements, that failure is not rewarded and that the duty to

mitigate loss is fully recognised and include provisions in the plan rules that enable the Company to recover and/or withhold sums or share awards in specific circumstances where it would be appropriate to do so;

- 8.15. oversee any major changes in employee benefits structures throughout the Company or the Group;
- 8.16. agree the policy for authorising claims for expenses from the directors;
- 8.17. work and liaise as necessary with all other committees of the Board;
- 8.18. review workforce remuneration and related policies (such as performance evaluation practices) and the alignment of incentives and rewards with culture, and take these into account when setting the policy for remuneration;
- 8.19. the committee will look at the overall reasonableness of incentive outcomes and total rewards with discretion to adjust formulaic outcomes where they would not otherwise align with individual performance or underlying company performance or meet the intention of the remuneration policy, subject to and in accordance with the rules of any plans;
- 8.20. the committee will be mindful of (i) the range of potential monetary outcomes; and (ii) external perceptions arising from its decisions when approving the performance-related pay scheme designs and the total payments made under performance-related pay schemes;
- 8.21. ensure the Company's remuneration policy is put to shareholders for approval every three years at the relevant annual general meeting, or at the annual general meeting immediately following any proposed amendments to the remuneration policy.

9. REPORTING RESPONSIBILITIES

- 9.1. The committee chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3. The committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in applicable legislation and the UK Corporate Governance Code, are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that the report is put to shareholders for approval at the Company's annual general meeting. If the committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.

- 9.4. Through the chair of the Board, the committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.
- 9.5. Where there is a significant vote against the remuneration policy or remuneration report (more than 20%), the committee will take any necessary actions to understand the reasons for the vote against and publish an explanation of the reasons and outline what the committee has done to address the dissent.

10. OTHER MATTERS

The committee shall:

- 10.1. have access to sufficient resources in order to carry out its duties, including access to the company secretariat and any employees of the Group for assistance as required;
- 10.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 10.3. give due consideration to laws and regulations, the principles and provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus, Disclosure and Transparency Rules and any other applicable rules, as well as guidelines or recommendations published by investor bodies as appropriate. These terms of reference reflect, inter alia, the principles and provisions of the 2018 UK Corporate Governance Code. Should the committee determine that it would not be appropriate for the Company to apply any one or more of those principles or provisions, then the committee may be permitted to depart from the relevant clause in these terms of reference if it provides an explanation for its decision to the Board, and the Board decides that it would be appropriate to depart from the relevant principle or provision and explain the reasons for such departure in the annual report;
- 10.4. arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval; and
- 10.5. make available these terms of reference.

11. AUTHORITY

The committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

12. APPROVAL

These terms of reference were adopted by the Board on 4 September 2013 and updated on 14 February 2019.