

Terms of reference for the Remuneration Committee

1. Constitution

The Committee will be established by resolution of the Board of Planet Payment, Inc. (the "**Board**") and will be known as the Remuneration Committee.

2. Membership

2.1 The members of the Remuneration Committee shall be appointed by the Board from amongst the Directors of the Company on the recommendation of the nomination committee and shall consist of not less than two members. The membership of the Remuneration Committee shall be made up of the non-executive Directors of the Company and the first Chairman shall be Cameron McColl. In the absence of the chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The chairman of the Board shall not be a member of the Committee.

2.2 A quorum 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. Attendance at meeting

3.1 The Committee may at each meeting appoint one of their number to be the Secretary of the Committee.

3.2 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.

3.3 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 relevant Committee member remains independent.

4. Frequency of meetings

4.1 Meetings shall be held at least once a year. The Chairman of the Company may request a meeting if he/she reasonably considers that one is necessary.

4.2 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members.

4.3 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, 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. **Authority**

5.1 The Remuneration Committee is authorised by the Board to investigate any matter within its term of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any requests made by the Remuneration Committee.

5.2 The Remuneration Committee is authorised by the Board to obtain outside professional advice at the Company's expense and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. It is envisaged that in obtaining outside advice the Committee will act in conjunction with the Chairman of the Company.

6. **Purpose**

6.1 The purpose of the Remuneration Committee is to:

- (a) ensure that the executive Directors of the Company are fairly rewarded for their individual contribution to the overall performance of the Company; and
- (b) demonstrate to the shareholders of the Company that the remuneration of the principal executive Directors of the Company is set by a committee of the Board whose members have no personal interest in the outcome of the decisions of the Remuneration Committee and who will have due regard to the interests of shareholders.

6.2 The remuneration of non-executive directors shall be a matter for the Chairman and executive members of the Board. No director or manager shall be involved in any decisions as to his/her own remuneration.

7. **Duties**

The Remuneration Committee shall be responsible for all elements of the remuneration of the executive Directors of the Company (the "**Executives**") and the duties of the Remuneration Committee shall be:

- (a) to determine and agree with the Board a framework or broad policy for the remuneration of the Executives taking into account all factors the Committee deems necessary. In addition, to review the ongoing appropriateness and relevance of such policy;
- (b) to consider the basic salaries paid to each of the Executives and any recommendations made by the Chairman of the Company for changes to that basic salary;
- (c) to consider any bonuses to be paid to the Executives and, in respect of any element of remuneration of an Executive which is performance related, to formulate suitable performance related criteria and monitor their operation,

and to consider any recommendations of the Chairman of the Company regarding bonuses or performance related remuneration;

- (d) to advise on and determine all performance-related formulae relevant to the remuneration of the directors of the Company and approve the total annual payments made and to consider the eligibility of directors for annual bonuses and benefits under long term incentive schemes;
- (e) to administer all aspects of any stock option plan operated by or to be established by the Company including but not limited to (subject always to the rules of that plan and any applicable legal and stock exchange requirements):
 - (i) the selection of those eligible directors, officers and employees of the Company and its subsidiary companies to whom options should be granted;
 - (ii) the timing of any grant;
 - (iii) the numbers of shares over which options are to be granted;
 - (iv) the exercise price at which options are to be granted;
 - (v) the imposition of any objective condition which must be complied with before any option may be exercised;

provided that option grants to any member of the Remuneration Committee shall be determined by the Board itself

- (f) to have due regard in the performance of the duties set out in this paragraph to any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of stock options plans which the Remuneration Committee considers relevant or appropriate;
- (g) to consider and make recommendations to the Board concerning the disclosure of details of remuneration packages and structures in addition to those required by law or by the London Stock Exchange plc;
- (h) to consider other benefits granted to the Executives and any recommendations of the Chairman for changes in those benefits; and
- (i) to consider the pension arrangements applicable to the Executives;
- (j) to consider and make recommendations in respect of the terms of the service contracts of the Executives and any proposed changes to these contracts;
- (k) 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;
- (l) oversee any major changes in employee benefits structures throughout the group;

- (m) agree the policy for authorising claims for expenses from the chief executive and the chairman of the Board;
- (n) to consider other matters relating to the remuneration of or terms of employment applicable to the Executives and referred to the Remuneration Committee by the Board.

8. Exclusions

The duties of the Remuneration Committee do not include the decision to employ or dismiss Executives. The Remuneration Committee does not have responsibilities for nominations to the Board.

9. Reporting Procedures

- 9.1 The secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 9.2 The secretary of the Committee shall ascertain, at the beginning of each Committee meeting, the existence of any conflicts of interest and minute them accordingly.
- 9.3 The Secretary of the Committee shall promptly circulate the minutes of the meetings of the Remuneration Committee to all members of the Board.
- 9.4 The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.5 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.6 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 accounts.

10. AGM

The Chairman of the Committee shall attend the AGM prepared to respond to any shareholder questions on the Committee's activities.

11. Self-appraisal

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness, and recommend any changes it considers necessary to the Board for approval.