

NETSCIENTIFIC PLC
(the "Company")

Terms of reference of the Remuneration Committee approved by of the Board on 9 May 2013

In these terms of reference:

- "Committee" means the Remuneration Committee.
- The "Board" means the board of directors of the Company.
- "Group Company" means any subsidiary undertaking of the Company from time to time.

1. Membership

- Members of the Committee are appointed by the Board. The Committee comprises at least 3 members, the majority of whom shall be independent non-executive directors. For so long as the Board decides is appropriate to the circumstances of the Company, the chairman of the Board may also be the Chairman of the Committee. Members of the Committee are appointed by the Board, on the recommendation of the nomination committee and in consultation with the Chairman of the Committee.
- Only members of the Committee have the right to attend Committee meetings. But, other individuals such as the Secretary of the Committee, and external advisers may be invited to attend for all or part of any meeting as and when the Committee decides.
- Appointments to the Committee are for an initial period of up to three years from admission of the Company's shares to trading on AIM, which may be extended after then for two further three-year periods, provided the member still meets the criteria for membership of the Committee.
- The Board will appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present must elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

2. Secretary

- The Company Secretary or his nominee acts as the Secretary of the Committee.

3. Quorum

- The quorum necessary for the transaction of business is 2 members. A duly convened meeting of the Committee at which a quorum is present as can exercise any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Meetings

- The Committee will meet at least twice a year and at such other times as the Chairman of the Committee can require.

5. Notice of Meetings

- Meetings of the Committee must be convened by the Secretary of the Committee at the request of any of its members.

- Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, should be forwarded to each member of the Committee and any other person required to attend no later than 5 working days before the date of the meeting. Supporting papers should be sent to Committee members and to other attendees as appropriate, at the same time.

6. **Minutes of Meetings**

- The Secretary of the Committee must minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- The Secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest.
- Minutes of Committee meetings must be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

7. **Annual General Meeting**

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

8. **Duties**

The Committee will:

- decide and agree with the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman (where executive), the executive directors of the Group, the Company Secretary, and such other members of the executive management as it is designated to consider, and review, on an ongoing basis, the appropriateness and relevance of the remuneration policy;
- set the remuneration for all executive directors of the Group, the Chairman (if executive) and the Company Secretary. The remuneration of non-executive directors (including the Chairman if non-executive) shall be a matter for the Chairman (if executive) and the executive members of the Board;
- recommend and monitor the level and structure of remuneration for senior management of the Group. No director or manager must be involved in any decisions about their own remuneration or their own payments on termination;
- decide whether there should be any performance-related pay schemes operated by the Company or any Group Company; and if so, the applicable targets for each scheme;
- decide the policy for, and scope of, pension arrangements for each executive director of any Group Company;
- assess whether and seek to ensure that contractual terms on termination, and any payments made, are what the Committee considers such that are fair to the individual and the Company, failure is not rewarded and the duty to mitigate loss is recognised;
- within the terms of the agreed policy, decide the total individual remuneration package of each executive director including, where appropriate, bonuses, incentive payments and share options;

- co-ordinate closely with the Nomination Committee in relation to the remuneration to be offered to any new executive director;
- agree the policy for authorising claims for expenses from the Chief Executive and Chairman;
- ensure that obligations regarding disclosure of remuneration, including pensions are fulfilled;
- be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- make available the Committee's terms of reference which should set out the Committee's delegated responsibilities and be reviewed and, where necessary, updated annually;
- review and have regard to the remuneration needs across the Company and its Group Companies when setting remuneration policy for directors; and
- be aware of, advise on and oversee any major changes to employee benefits structures throughout the Company or Group.

9. **Reporting Responsibilities**

- The Committee Chairman must report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- The Committee can make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- The Committee will produce an annual report of the company's remuneration policy and practices which will form part of the company's Annual Report.

10. **Other**

- The Committee will, at least once a year, review its terms of reference and recommend any changes it considers necessary to the Board for approval.

11. **Authority**

- The Committee is authorised by the Board to seek any information it requires from any employee of the Company or any Group Company in order to perform its duties.
- In connection with its duties the Committee can obtain, at the Company's expense, any outside legal or other professional advice which it considers necessary.

12. **General**

These terms of reference are subject to the directors' general duties as directors of the Company and those duties being fulfilled according to the standards applicable to those duties.