

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

TERMS OF REFERENCE

*The Corporate Social Responsibility Committee (the **Committee**) is a committee of the Board of Directors of Palace Capital PLC (the **Board**), from which it derives its authority and to which it regularly reports.*

1. CONSTITUTION AND PROCESS

1.1 Membership

Membership will comprise a Non-executive Director and two Executive Directors, to be nominated by the Board from time to time.

1.2 Quorum

The quorum of the Committee will be two, including either the Finance Director or the Non-executive Director. In the event of difficulty in relation to achievement of a quorum, non-executive directors who are not members of the Committee may be co-opted as members for individual meetings.

1.3 Chairman

The Non-executive Director will chair the Committee.

1.4 Secretary

The Company Secretary will attend all meetings of the Committee and the Company Secretary will provide all necessary support to the Committee.

1.5 Attendees

Any person may attend from time to time at the invitation of the Chair of the Committee.

1.6 Meetings

The Committee will normally meet three to four times a year. Ad hoc meetings may also be held.

The Chair may convene a meeting of the Committee at any time on reasonable notice to consider any matter falling within these Terms of Reference.

1.7 Minutes and Reporting

The minutes of each meeting will be circulated to all directors and attendees as appropriate.

1.8 Disclosure

An annual report on the activities of the Committee during the year will be disclosed in the Annual Report of the Company. The Chair of the Committee will be available at the Annual General Meeting of the Company to answer questions which relate to the work of the Committee.

1.9 Training

The Committee, via the Company Secretary, will make available to new Members of the Committee a suitable induction process and, for existing Members, ongoing training where appropriate and as discussed with the Committee.

1.10 Committee self-assessment

The Committee will conduct an annual self-assessment of its performance and effectiveness, including its Terms of Reference, and report conclusions and recommendations for change to the Board.

2 SCOPE OF AUTHORITY

The Committee is a committee of the Board to which it will report on a regular basis. The Committee is concerned with the business of the entire Group and its authority extends to all relevant matters relating to Palace Capital PLC and subsidiaries.

The Committee has authority to investigate any matters within its responsibilities and to obtain such information as it may require from any director, officer or employee of the Group.

3 RESPONSIBILITIES OF THE COMMITTEE

In carrying out their responsibilities Committee members must act in accordance with the statement of Directors' Duties set out in Sections 171-177 of the Companies Act 2006.

The responsibilities of the Committee will be to:

- 3.1 define the Group's corporate and social obligations and oversee its conduct in the context of those obligations;
- 3.2 agree a strategy for discharging the Group's corporate and social responsibilities which ensures the Group's social, environmental and economic activities are aligned;
- 3.3 to ensure that there is a recognition of the impact of the Group's activities on all stakeholders including shareholders, customers, suppliers, employees and the wider community and environment, and that the Group's business is conducted in a socially responsible manner;
- 3.4 identify and monitor those external developments which are likely to have a significant influence on the Group's reputation and/or its ability to conduct its business appropriately and review how best to protect that reputation or that ability;
- 3.5 in conjunction with management, the Board and other committees, identify the material social and environmental risks and ensure that appropriate measures are taken to mitigate any such risks;
- 3.6 oversee the creation of appropriate policies and supporting measures on all key areas of social responsibility and monitor compliance with such policies;
- 3.7 monitor the Group's engagement with external stakeholders and other interested parties and support the Board in its understanding of the interests of key stakeholders;
- 3.8 ensure that appropriate communications policies are in place and working effectively to build and protect the Group's reputation both internally and externally;
- 3.9 review and sign off the quality of any reporting to external stakeholders concerning corporate and social responsibility matters (to form part of the Annual Report).

4. OTHER MATTERS

- 4.1 The Committee is authorised by the Board to obtain, at the Group's expense, outside legal or other professional advice, on any matters within its terms of reference.
- 4.2 The committee will give due consideration to all applicable laws and regulations.

11th June 2019