

REMUNERATION COMMITTEE

TERMS OF REFERENCE

1. Membership

- 1.1. The Committee shall be made up of two or more non-executive directors. The chair of the board may also serve on the committee as an additional member if they were considered independent on appointment as chair.
- 1.2. Appointments to the committee are made by the board on the recommendation of the nomination committee and in consultation with the chair of the remuneration committee and shall be for a period of up to three years which maybe extended for up to two additional three-year periods, provided members (other than the chair of the board if they are a member of the committee) continue to be independent.
- 1.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chair of the board, chief executive and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 1.4. The board shall appoint the committee chair who shall be a non-executive director, who should have served on the 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 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

- 2.1. The company secretary or their nominee shall act as the secretary of the committee and will ensure that the committee receives information in a timely manner to enable full and proper consideration to be given to the issues.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two.

4. Meetings

- 4.1. The committee shall meet at least twice in each financial year and otherwise as required.

5. Notice of meetings

- 5.1. Meetings of the Committee shall be called by the secretary at the request of the committee chair or any of its members.
- 5.2. Unless otherwise agreed, notice of each meeting confirming the time and date together with the agenda items to be discussed and supporting papers shall be sent to committee members and to other attendees, as appropriate no later than three working days before the date of the meeting.

6. Minutes of meetings

The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

- 6.1. 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 Chairman it would be inappropriate to do so.

7. Engagement with shareholders

- 7.1. The Committee Chairman should attend the annual general meeting to answer any shareholder questions on the Committee's activities. In addition, the committee chair should seek engagement with shareholders on significant matters related to the committee's areas of responsibility.

8. Duties

The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

The Committee shall:

- 8.1. Have responsibility for setting the remuneration policy for all executive directors, the Company's chair, executive directors, and the company secretary, including pension rights and any compensation payments. The remuneration of non-executive directors shall be a matter for the Chairman and the executive members of the Board within the limits set in out the articles of association. No director or executive manager shall be involved in any decisions as to their own remuneration. In addition, to have an overview of the remuneration of the Executive Committee and one management layer below that level.
 - 8.1.1 Monitor the level and structure of remuneration for executive management (usually members of the executive committee) or otherwise as determined by the Committee.
- 8.2. Design remuneration policies and practices to support the strategy and to support long-term sustainable success, with executive remuneration aligned to the company purpose and values, clearly linked to the successful delivery of the company's long-term strategy, and that enable the use of discretion to override formulaic outcomes and/or withhold sums or share awards under appropriate circumstances.

- 8.3. When determining remuneration policy and practices for executive directors, to ensure there is clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.
- 8.4. Review the on-going appropriateness and relevance of the remuneration policy.
- 8.5. 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 each executive director, the chair and the company secretary including bonuses, incentive payments and share options or other share awards. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of the company and individual performance, and wider circumstances. No director or senior manager shall be involved in any decisions as to their own remuneration outcome. The board itself should determine the remuneration of the non-executive directors within the limits set by the Articles of Association
- 8.6. Have full authority to appoint remuneration consultants and to obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. The Committee is authorised 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. However, the committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants.
- 8.7. Review the design of any performance-related pay schemes operated by the company and approve the total annual payments made under such schemes.
- 8.8. Review and approve as appropriate, the design of all share incentive plans for approval by the board and 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 management executives and the performance targets to be used.
- 8.9. Determine the policy for, and scope of, pension arrangements for each executive director and other management executives.
- 8.10. To 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.
- 8.11. Oversee any major changes in employee benefits policy and structures throughout the company or group.
- 8.12. Agree the policy for authorising claims for expenses from the directors.
- 8.13. Work and liaise as necessary with all other board committees.

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, and adequate time should be available for board discussion when necessary.
- 9.3. The Committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) regulations 2019 and the Quoted Companies Alliance Code (QCA Code), are fulfilled and that a report of the company's remuneration policy and practices to be included in the company's annual report and ensure each year that it is included in the company's annual report and put to shareholders for approval at the AGM as necessary. If the committee has appointed remuneration consultants, the annual report of the company should identify such consultants and state whether they have any other connection with the company or individual directors.
- 9.4. Through the chair, ensure that the company maintains contact as required with its principal shareholders about remuneration.

10. Other matters

The Committee shall:

- 10.1. Have access to sufficient resources to carry out its duties, including access to the company secretariat for assistance as required.
- 10.2. Be provided with appropriate 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, regulations and any published guidelines or recommendations regarding the remuneration of directors and formation and operation of share schemes, the AIM listing rules and the QCA Code.
- 10.4. Arrange for periodic reviews of its own performance.
- 10.5. At least annually review its 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.

11. Authority

- 11.1. 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.