

Terms of Reference of the Remuneration Committee

1. Overall Purpose/Objectives

In line with the recommendations made in the UK Corporate Governance Code, the Committee is appointed to lead the process for executive remuneration in the context of the Company's business strategy, and to make recommendations to the Board in order that there is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of all executive directors, and the Chair, including pension rights and compensation payments.

2. Authority

The Board authorises the Committee, within the scope of its responsibilities, to:

- i. Seek any information it requires in order to perform its duties.
- ii. Obtain, after due consultation with the Board, at the Company's expense, outside legal or professional advice on any matters within its terms of reference.
- iii. Obtain, after due consultation with the Board, at the Company's expense external benchmarking and relevant market, regulatory and competitor data.
- iv. The Committee shall have no executive powers.

3. Organisation

Membership

- i. Membership of the Committee shall be appointed by the Board in consultation with the Chair of the Committee.
- ii. The Board will appoint the Chair of the Committee and determine the period for which he/she will hold office. The Chair of the Company shall not be eligible to be appointed as Chair of the Committee.
- iii. In the absence of the Committee Chair, any other member may act as Chair. Normally the Chair of the Company would not be requested to act as Chair. As an independent, this may be agreed under exceptional circumstances.
- iv. The Committee will comprise of not less than two Directors, including the Chair of the Committee, and these will be independent non-executive directors and the Chair of the Company.
- v. The quorum for any meeting will be two.
- vi. The secretary of the Committee will be the Company Secretary, or such other person as nominated by the Board.
- vii. Meetings
- viii. meetings will be held at least twice a year, with special meetings convened as required. The Committee will agree annual bonus for approval at the full Board. This will take place in the last period / quarter of any financial year.

- ix. The Committee may invite such other person to its meetings as it deems necessary, but no person other than the members of the committee shall have a right of attendance.
- x. Meetings shall be called by the Chair or Secretary of the Committee at the request of any Committee members. Notice shall be forwarded to each member of the Committee, and any other person required, one week before the date of the meeting. Supporting papers shall be sent to the Committee members and other attendees as appropriate at the same time, unless otherwise agreed.
- xi. The proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance, will be minuted and circulated promptly to all members of the Committee.
- xii. No Committee attendee shall participate in any discussion or decision on their own remuneration.
- xiii. The Chair of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

4. Duties and Responsibilities

The Committee should undertake the following:

- i. Recommend for approval by the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chair and executive directors, and such other members of the executive management as it is designated to consider.
- ii. The remuneration of non-executive directors shall be a matter for the Chair and the executive directors of the Company's Board.
- iii. Ensure that members of the executive management of the Company are provided with appropriate incentive to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.
- iv. Review the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes.
- v. Review the design of all share incentive plans for approval by the Board and the 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 and other senior executives and the performance targets to be used.
- vi. Review the policy for, and the scope of, pension arrangements for each executive director and other senior executives.

- vii. In consultation with the Chair/Chief Executive, as appropriate, determine the total individual remuneration package of each executive director and other senior executives, including bonuses, incentive payments and share options or other share awards.
- viii. In determining such packages and arrangements, give due regard to any relevant legal requirements and recommendations in the UK Corporate Governance Code.
- ix. Review that the implementation of any contractual terms and any payments made on termination, are fair to the individual and the Company and that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- x. When setting remuneration policy for directors, review and have regard to the remuneration structure and trends across the entire Company.
- xi. Review employee benefit structures throughout the Company and overview any changes thereto.
- xii. Have oversight and approval of the company expenses reimbursement scheme.
- xiii. If appropriate, and after due consultation with the Board, recommend and establish the terms of reference for the appointment of any consultants necessary to advise the Committee on issues within its terms of reference.

5. Reporting

- i. The Committee shall make a report to the Board on its proceedings after each meeting and on all matters within its duties and responsibilities.
- ii. The Committee will be responsible for approval of the annual directors Remuneration report
- iii. The Committee shall through the Chair of the Board ensure that the company maintains contact with its principal shareholders about Remuneration.

6. Other

- i. The Committee shall once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness, up to date and in line with accepted practice and reflecting the strategy and policy of the business. The format of this review to be agreed with the Board,
- ii. The committee will recommend any changes it considers necessary to the Board for approval.