

1. Purpose

- 1.1. The primary purpose of the Remuneration Committee is to make recommendations to the Board on the Company's policy for Executive Remuneration and its costs and to assist the board to fulfil its responsibility to shareholders to ensure that remuneration policy and practices of the Company reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements.
- 1.2. The Committee shall also have delegated responsibility for determining the remuneration and benefits of executive directors, and the Chairman. The remuneration of non-executive directors shall be a matter for the Chairman and executive members of the Board.

2. Membership

- 2.1. The Committee shall be appointed by the Board from time to time and shall comprise of a minimum of three non-executive directors.
- 2.2. The chairman of the Committee shall appointed by the Board from amongst the non-executive directors.
- 2.3. A quorum shall be any two members.

3. Attendance

- 3.1. The Company Secretary shall act as secretary to the Committee;
- 3.2. The Chairman will normally attend meetings, except when his own remuneration or benefits are being considered.
- 3.3. Executive directors, and external advisors, may be invited to attend meetings or parts of meetings when considered appropriate.
- 3.4. Through the Chairman, the Committee shall ensure that the Company (whether through the Committee or otherwise) maintains contact as required with its principal shareholders about remuneration.
- 3.5. The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 3.6. Meetings of the Committee may be conducted when the members are physically present together or in the form of either video or audio conferences.

4. Meetings

- 4.1. The Committee shall meet at least twice a year.

4.2. Notice of each meeting confirming the venue, time and date together with the agenda of items to be discussed shall be forwarded to each member of the Committee in a timely manner to enable full and proper consideration to be given to issues.

5. Annual General Meetings

The Committee chairman shall attend the annual general meeting to answer shareholder questions on the Committee's activities.

6. Responsibilities and powers

The Committee shall have due regard to the comments and recommendations of the UK Corporate Governance Code (**Code**) as well as the UK Listing Authority's Listing Rules and associated guidance, in carrying out the following responsibilities and powers:

6.1. to determine the broad policy on senior executives pay and remuneration and to set, in respect of the Chairman, the executive directors of the Company and the Secretary :

- remuneration, including bonuses and long term incentives, including the determination of annual targets and key performance indicators, and to assess performance against targets and key performance indicators;
- targets for any performance-related pay schemes;
- pension benefits;
- grants of share options or awards;
- terms and conditions of employment including the directors' car policy; and
- payments on termination of employment (ensuring 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 and that there is a clear policy to link non-contractual payments to performance);

except that no person shall be involved in any decisions, discussions or recommendations as to their own remuneration;

6.2. To determine the remuneration policy, and particularly when determining annual salary increases for directors, consider:

- all relevant legal and regulatory requirements;
- the provisions and recommendations of the Code and associated guidance;
- an appropriate balance between fixed and performance-related remuneration, immediate and deferred remuneration.

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- the need to promote the long-term success of the Company without paying more than is necessary, having regard to the views of shareholders and other stakeholders and ensuring that executive directors and senior executives are rewarded in a fair and responsible manner and are provided with appropriate incentives to encourage enhanced performance and are rewarded for their individual contributions;
 - the business strategy of the Company and how the policy reflects and supports the business strategy;
 - the Company's risk appetite and risk management strategy ensuring that the remuneration policy is aligned to the Company's risk policies and systems and long term strategic goals;
 - remuneration trends and employment conditions across the Company;
 - whether executive directors should be required to hold a minimum number of shares for a further period after vesting or exercise, including a period after leaving the Company;
 - the transparency of the performance-related elements, ensuring they are stretching and rigorously applied;
- 6.3. to review the on-going appropriateness and relevance of the remuneration policy and consult with significant shareholders as appropriate;
- 6.4. to obtain reliable information from time to time about remuneration practices within other comparable companies. To help fulfil its obligations the Committee shall have authority to appoint remuneration consultants and to commission or purchase reports, surveys or information which it deems necessary at the expense of the Company but within budgetary constraints agreed by the Board;
- 6.5. to be responsible for the selection criteria, selecting, appointing and setting the terms of reference of any remuneration consultants who advise the Committee;
- 6.6. to ensure, where relevant, that any payments made are permitted under the latest shareholder approved remuneration policy and, if not, that either a revised remuneration policy or the proposed payment is submitted for shareholder approval;
- 6.7. to engage in appropriate discussions as necessary with institutional investors on policy or any other aspects of remuneration;
- 6.8. to exercise the powers of the Board in relation to:-
- any employee share arrangements:
 - amending or varying such arrangements in accordance with such provisions as the Committee may deem appropriate;

- approving new share arrangements; and
 - granting entitlements and options;
 - any long term incentive arrangements:
 - amending or varying such arrangements however the Committee may deem appropriate;
 - monitoring and assessing any performance conditions applicable and ensuring that the performance conditions are fully explained and clearly linked to the enhancement of shareholder value;
 - designing and invoking agreed safeguards, for example clawback, to protect against rewards for failure through appropriate risk management of incentive arrangements to ensure that any performance-related payments reflect actual achievements;
 - approving new arrangements; and
 - granting entitlements and if appropriate to include the granting or purchase of shares as part of such arrangements;
 - pension arrangements and other similar employee benefits of the Company and its subsidiaries whether currently in force or to be adopted including the approval of any changes to the rules of such arrangements;
- 6.9. to ensure that all incentive arrangements are aligned to the Company's risk policies and systems.
- 6.10. to agree the policy for authorising claims for expenses from the Chairman and the Chief Executive;
- 6.11. to ensure that provisions regarding disclosure of remuneration, including pensions, as set out in the Companies Act 2006 and the Code, are fulfilled;
- 6.12. to report the frequency of, and attendance by members at, Remuneration Committee meetings in the Annual Report; and
- 6.13. to approve, execute or give effect to all documents (including service contracts), deeds, acts and things that the Remuneration Committee may consider necessary or desirable in connection with or in relation to any of the foregoing matters.

7. Reporting procedures

- 7.1. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board and such other attendees of the meetings as the Chairman of the Committee shall direct, or as the Secretary shall think fit.

7.2. The Committee shall report annually to shareholders on matters relating to executive remuneration. In preparing the report, the Committee shall include:

- an annual statement by the Committee's chairman;
- the directors' remuneration policy;
- an annual report on directors' remuneration.

7.3. The directors' remuneration policy and the annual report on directors' remuneration should include the information required to be disclosed by the Companies Act 2006 (including any regulations made under that Act), the Code, the Listing Rules (as published by the Financial Conduct Authority) (Listing Rules) and any other relevant statutory, regulatory or governance codes.

7.4. The Committee shall submit the directors' remuneration policy for approval by the board and shareholders:

- every three years (or such shorter period as may be required by the applicable legislation);
- in any year in which there is a change to the policy;
- if shareholder approval was not obtained when last submitted;
- if majority shareholder approval was not achieved on the last submitted annual remuneration report.

7.5. The Committee shall submit the annual report on directors' remuneration for approval on an advisory basis by the board and shareholders at the annual general meeting each year.

7.6. The Committee shall make recommendations to the Board as it sees fit.

8. General

The Committee shall:

- 8.1. have access to sufficient resources in order to carry out its duties, including access to the company secretary and management for assistance as required;
- 8.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 8.3. Arrange for periodic reviews of its own performance and, 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.

