

# SENSYNE HEALTH PLC

(the Company)

## TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

(approved at a meeting of the board of directors of the Company held on 19 July 2018, and amended by the Board on 09 December 2019)

### 1. CONSTITUTION

The board of directors of the Company (the **Board**) has resolved to establish a committee of the Board to be known as the Remuneration Committee (the **Committee**).

### 2. MEMBERSHIP

- 2.1 The Committee members will be appointed by the Board, on the recommendation of the nomination committee (the **Nomination Committee**) in consultation with the chairman of the Committee (the **Committee Chair**), in accordance with the Company's articles of association.
- 2.2 The Committee will comprise a minimum of three members, all of whom will be independent non-executive directors. The chairman of the Board (the **Chairman**) may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman.
- 2.3 The Committee Chair will be an independent non-executive director appointed by the Board on the recommendation of the Nomination Committee from among the members of the Committee. In the absence of the Committee Chair (and/or an appointed alternate member), the members present at any meeting of the Committee will elect one of their number to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board will not be the Committee Chair.
- 2.4 The Committee Chair and members will be listed each year in the Company's annual report.
- 2.5 Each member will hold office as a Committee member for a period of up to three years, which may be extended by no more than two additional periods of up to three years, provided the member still meets the criteria for membership of the Committee and subject to the articles of association and re-election by shareholders.
- 2.6 If any member of the Committee is unable to act for any reason, the Committee Chair may appoint any other independent non-executive director of the Company or Chairman agreed by the other members of the Committee, to act as that member's alternate.
- 2.7 The company secretary or his or her nominee will be the secretary of the Committee (the **Secretary**) and shall ensure that where members have concerns on any matters raised or any proposed action, those concerns are recorded in the Committee minutes.
- 2.8 The Secretary will forward to all members of the Committee all information and papers in a timely manner to enable full and proper consideration of any issues.

### 3. QUORUM

The quorum for meetings of the Committee shall be two members present throughout the meeting. A duly convened meeting of the Committee at which a quorum is present shall be

competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

#### **4. AUTHORITY**

4.1 The Board authorises the Committee to:

(a) investigate any activity within the scope of its duties;

(b) seek any information it requires from any employee of the Company or group Company in order to perform its duties; and

(c) obtain inside and outside legal or other professional advice including subject to any budgetary restraints imposed by the Board information about remuneration practices elsewhere, at the Company's expense. The Committee may, if it thinks fit, supply to others information about the Company's remuneration practices and, secure the attendance at meetings of outsiders with relevant experience and expertise.

#### **5. MEETINGS**

5.1 The Committee will meet at least twice per financial year of the Company and otherwise as the Committee Chair will require.

5.2 No one other than the members of the Committee is entitled to be present at a meeting of the Committee. The members of the Committee will, however, have the discretion to decide who else will be invited to attend for all or part of any meeting, as and when appropriate and necessary.

5.3 The Chairman and/or Chief Executive Officer will be invited by the Committee to attend meetings to discuss the performance of other executives and to make proposals as necessary. The Committee may consult the other non-executive directors in its evaluation of the Chief Executive Officer.

5.4 No director or employee will be present at any meeting of the Committee when his or her own remuneration is being discussed. No director will be involved in any decision as to his or her own remuneration.

5.5 Meetings of the Committee shall be called by the Secretary at the request of any of its members.

5.6 Unless otherwise agreed, notice of each meeting of the Committee confirming the venue, date and time together with an agenda of items to be discussed and supporting papers where appropriate will be forwarded to each member of the Committee and to each other person invited to attend, no later than five working days prior to the date of the meeting. All reasonable efforts will be made to give notice of meetings of the Committee to all members of it and to arrange such meetings so that members are able to attend them.

5.7 Members of the Committee may participate and be included in any quorum in any Committee meetings by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, provided the meeting is quorate. Such meetings shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the Committee Chair is.

5.8 In the event of an equality of votes, the Committee Chair will have a casting vote.

- 5.9 The Secretary will prepare minutes of any meeting of the Committee, which will include names of those present and in attendance and, after approval and signature by the Committee Chair, will circulate the minutes to all members of the Committee and, once agreed, to all other members of the Board, unless it would be inappropriate to do so. The Secretary shall also ascertain at the beginning of each meeting of the Committee the existence of any conflicts of interest and minute them accordingly.
- 5.10 The Committee Chair will be available to answer questions about the Committee's activities at the annual general meeting of the Company. All members of the Committee will also attend the annual general meeting.

## 6. DUTIES

- 6.1 The Committee shall make available these terms of reference on the Company's website.
- 6.2 The Committee should carry out the duties set out below, for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.
- 6.3 The Committee will consult the Chairman and/or Chief Executive Officer about its proposals relating to the remuneration of other executive directors. It will also consult the senior independent director and other non-executive directors, who are not members of the Committee, about its proposals relating to the remuneration of the Chairman.

- 6.1 The duties of the Committee will be to:

(a) make recommendations to the Board regarding the Company's policy relating to executive remuneration and its cost giving full consideration to the remuneration matters set out in the UK Corporate Governance Code;

Determine on the Board's behalf the entire individual remuneration packages for each executive director, the Chairman, senior managers/executives and the company secretary, including pension rights and any compensation payments.

The remuneration of non-executive directors will be a matter for the Chairman and executive members of the Board.

(b) ensure that the remuneration of each executive director is in accordance with the most recent remuneration policy approved by the Committee;

(c) in relation to the equity incentive plans (**Plans**) established and operated by the Company to:

- (i) determine and administer policy for the grant of awards/options to executive directors and senior executives of the Company;
- (ii) approve all and any awards/options to executive directors and senior executives;
- (iii) approve any amendments to the Plans prior to obtaining any necessary shareholder approval; and
- (iv) exercise any discretion specified in the rules of the Plans and generally oversee the administration of Plans offered to executive directors and/or other senior executives;

- (d) consider and review the terms of any new equity plans for executive directors and/or senior executives;
- (e) review the on-going appropriateness and relevance of the Remuneration Policy;
- (f) approve the remuneration packages of newly appointed executive directors and liaise with the Nomination Committee to ensure that any such remuneration packages are within the Remuneration Policy;
- (g) approve any compensation packages or arrangements following the severance of any executive director's contract;
- (h) consider whether the Company's remuneration strategy is compatible with the Company's risk management policies;
- (i) where appropriate, appoint consultants in respect of executive director remuneration;
- (j) consider any other matters as referred to the Committee by the by the Board.

## **7. REPORTING RESPONSIBILITIES**

- 7.1 The Committee Chair will report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2 The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 The Committee will assist the Board in preparing an annual remuneration report to shareholders for the purposes of, and in accordance with, sections 420 and 421 of the Companies Act 2006, the AIM Rules for Companies of the London Stock Exchange and the provisions of the UK Corporate Governance Code.
- 7.4 The Committee will produce:
  - (i) an annual report setting out the Company's remuneration policies and practices, and its duties and activities during the year; and
  - (ii) a policy report in respect of directors' remuneration at least every three years,which will form part of the Company's annual report and accounts, and may, at its discretion submit such reports to shareholders for approval on an advisory basis.
- 7.5 The Committee will consider and make recommendations to the Board concerning disclosures of details of remuneration packages and structures in addition to those required by law or the AIM Rules for Companies of the London Stock Exchange.
- 7.6 If the Committee appointed remuneration consultants, the annual remuneration report will identify such remuneration consultants and state whether they have any other connection with the Company.
- 7.7 The Committee Chair will ensure that the Company maintains contact with its principle shareholders about remuneration.

## **8. PERFORMANCE, RESOURCES AND TRAINING**

- 8.1 The Committee will have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 8.2 The Committee will be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 8.3 The Committee will give due consideration to the AIM Rules for Companies of the London Stock Exchange, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules sourcebook (insofar as it is applicable to AIM companies) as well as guidelines published by the Investment Association and the National Association of Pension Funds and any other applicable rules, as appropriate.
- 8.5 The Committee will 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.