

# **PETERSHILL PARTNERS PLC**

(the “Company”)

## **TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE (THE “COMMITTEE”)**

**Approved by the Board on 20 September 2021**

### **1. THE COMMITTEE’S ROLE AND RESPONSIBILITIES**

- 1.1 Develop a policy for director remuneration for recommendation to the Company’s shareholders for approval, determine the remuneration of the chair of the Board and make recommendations to the Board on the remuneration of the other non-executive directors, in each case within the limits set in the Company’s articles of association or directors’ remuneration policy. No director shall be involved in any decisions as to their own remuneration, provided that this shall not prevent a director from being involved in making recommendations on or deciding the level of remuneration to be paid to non-executive directors generally or to non-executive directors carrying out particular additional Board responsibilities.
- 1.2 Review the ongoing appropriateness and relevance of remuneration levels and give due regard to published or other available information relating to remuneration in companies which are comparable to the Company and to remuneration trends generally.
- 1.3 Determine the policy for authorising claims for expenses from the directors.
- 1.4 To report formally to the Board on the Committee’s proceedings and on how it has discharged its duties and responsibilities (unless it would be inappropriate to do so) and to make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 1.5 To have regard in the performance of its duties to any published guidelines or recommendations regarding the remuneration and terms and conditions of directors of listed companies and the formation and operation of share schemes (in particular the principles and provisions of the UK Corporate Governance Code, the Association of Investment Companies Code of Corporate Governance (the *AIC Code*), the requirements of the UK Listing Authority’s Listing, Prospectus and Disclosure and Transparency Rules and guidelines published by institutional investors) which the Committee considers relevant or appropriate. To ensure that all provisions regarding disclosure of remuneration are fulfilled.
- 1.6 Consider the need to appoint external remuneration consultants and be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and to commission or purchase any reports, surveys or other information which it deems necessary. The Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants.

### **2. COMPOSITION AND QUORUM**

- 2.1 The Committee must have at least three members. Members of the Committee are appointed by the Board on the recommendation of the nomination committee in consultation with the chair of the Committee. All members of the Committee must be

independent non-executive directors. If the Board decides that a member of the Committee is no longer independent, that member will cease to be a member of the Committee. The chair of the Board may be a member of, but not chair, the Committee provided he or she was considered independent on appointment.

- 2.2 The Board appoints the chair of the Committee. The chair of the Committee should have served on a remuneration committee for at least 12 months before his/her appointment as chair. In the absence of the Committee chair and/or an appointed deputy, the remaining members present may elect one of the independent non-executive directors present to chair the meeting.
- 2.3 The quorum necessary for the transaction of business is two members. Only members of the Committee have the right to attend Committee meetings, but the Committee may invite others (including representatives of the Company's operator (the *Operator*) and/or the Company's administrator (the *Administrator*) and other interested persons) to attend all or part of any meeting if it thinks it is appropriate or necessary, but such others shall not count for quorum.
- 2.4 Appointments to the Committee are for a period of up to three years, extendable for two further three-year periods, provided the director remains independent and still meets the criteria for membership of the Committee.
- 2.5 A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **3. MEETING ADMINISTRATION**

- 3.1 The Committee must meet as often as it deems necessary but in any case at least once a year, at such times and places determined by the Committee chair. Additional meetings may be called by the Committee chair. The Committee may hold meetings by telephone or using any other method of electronic communication, and may take decisions without a meeting by unanimous written consent, when the chair considers this to be necessary or desirable.
- 3.2 Meetings of the Committee are called by the secretary of the Committee at the request of the Committee chair.
- 3.3 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date (and dial-in details if required) of the meeting must be sent, with an agenda of the items to be discussed and any supporting papers, to each member of the Committee, any other person required to attend the meeting and all other non-executive directors as soon as practicable, and in any event no later than five business days before the date of the meeting.

### **4. SECRETARY**

- 4.1 The company secretary or such person as the Committee nominates shall act as the secretary of the Committee and shall attend all meetings.
- 4.2 The secretary must ensure that the Committee receives information and materials in a timely manner to enable full and proper consideration to be given to them.

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

4.4 Draft minutes of Committee meetings must be sent promptly to all members of the Committee. Once approved, minutes must be sent to all members of the Board, unless the chair of the Committee thinks it is inappropriate to do so.

## **5. SELF-EVALUATION**

5.1 The Committee must review its own performance, composition and terms of reference at least once a year and recommend to the Board any changes it considers necessary or desirable.

## **6. REPORTING RESPONSIBILITIES**

6.1 After each Committee meeting, the chair of the Committee must report formally to the Board on the Committee's proceedings.

6.2 The Committee may make such recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is desirable.

6.3 The Committee chair must attend the Company's annual general meeting and be available to answer questions on matters within the Committee's area of responsibility, and make a statement on the activities and achievements of the Committee over the year, as directed by the chair of the annual general meeting.

6.4 The Committee must compile a report to shareholders describing its work to be included in the Company's annual report.

## **7. OTHER MATTERS**

The Committee must:

- (a) have access to sufficient resources to carry out its duties and functions including access to the company secretariat for assistance as required on all Committee matters. In the event that the Committee determines that it has insufficient resources, it may make a request for additional resources to the Operator and/or the Administrator. If the request for additional resources is denied, the Committee may, if it chooses, make a request to the Board. The Board will convene a Board meeting as soon as reasonably practicable to consider the request;
- (b) be given appropriate and timely training, in the form of an induction programme for new members and on an ongoing basis for all members. The induction programme is provided by the Administrator;
- (c) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code, the AIC Code, the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;
- (d) oversee any investigation of activities which are within its terms of reference; and

- (e) work and liaise as necessary with all other Board committees.

## **8. AUTHORITY**

The Board authorises the Committee to:

- (a) undertake any activity within its terms of reference;
- (b) seek any information that the Committee requires from the Operator and/or the Administrator in order to perform its duties, and call any such person to be questioned at a Committee meeting, as and when required;
- (c) obtain external legal or other professional advice on any matter within its terms of reference at the Company's expense, and invite persons giving such advice to attend Committee meetings; and
- (d) delegate any of its powers to one or more of its members or the secretary of the Committee.