

## GRESHAM TECHNOLOGIES PLC

### Remuneration Committee

#### Terms of Reference

(as adopted by the board of directors of the Company on 20 December 2022)

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*Reference to "the Committee" shall mean the Remuneration Committee.*

*Reference to "the Company" shall mean Gresham Technologies plc and, where applicable, its subsidiaries*

*Reference to "the Board" shall mean the Board of Directors.*

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#### **1. Membership**

- 1.1. Members of the Committee shall be appointed and removed by the Board as a whole on the recommendation of the Nomination Committee, in consultation with the Committee Chair.
- 1.2. The Committee shall be made up of at least two independent Non-Executive Directors, including the Committee Chair. If at any time there are fewer than two independent Non-Executive Directors on the Board, the Committee shall include as many independent Non-Executive Directors as are on the Board. The Chair of the Board may serve on the Committee as an additional member, but not as Chair.
- 1.3. The Board shall appoint the Committee Chair who shall be an independent Non-Executive Director and who shall have served on a 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 who is an independent director to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.
- 1.4. Appointments to the Committee shall be for a period of up to three years (subject to the election and re-election provisions in the Company's constitution and in the UK Corporate Governance Code (the "Code"), which may be extended for two further periods of up to three years each, provided the director concerned (other than the Chair of the Board, if he or she is a member of the Committee) remains "independent" for the purposes of the UK Corporate Governance Code.

#### **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 and papers 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 at a meeting of the Committee shall be two members. 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. Meetings**

- 4.1. The Committee shall meet at least twice a year and otherwise as required. Meetings may be held in person, or, provided all members are able to hear and speak to each other throughout the meeting, by telephone or video conference.
- 4.2. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any of its members.
- 4.3. Only Committee members are entitled to attend Committee meetings. However, the Committee is authorised to invite non-members, including without limit the Chief Executive Officer, Chief Finance Officer, and external advisers, to attend for all or part of any meeting where the Committee Chair considers it necessary or appropriate to do so.
- 4.4. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall normally be forwarded to each member of the committee and any other person required to attend no later than five days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.
- 4.5. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 4.6. Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and the Company Secretary unless, exceptionally, it would be inappropriate to do so.

## **5. Engagement with Shareholders**

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

## **6. Duties**

### General

- 6.1. The Committee should carry out the duties detailed below for the Company, major subsidiary undertakings and the group as a whole, unless required otherwise by regulation, as appropriate. In carrying out these duties, the members of the Committee must comply with their duty under section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, whilst having regard to the interests of employees, stakeholders and other matters as required by section 172.
- 6.2. The Committee shall:
  - 6.2.1. have delegated responsibility for determining the policy for directors' remuneration and setting remuneration for the Company's Chair and executive directors and senior management, including the Company Secretary, taking into

account all factors which it seems necessary including relevant legal and regulatory requirements and the Principles and Provisions of the Code;

- 6.2.2. establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests, with share awards subject to a total vesting and holding period of at least three years, and a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares;
- 6.2.3. design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to 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 to recover and/or withhold sums or share awards under appropriate specified circumstances;
- 6.2.4. when determining executive director remuneration policy and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
- 6.2.5. no director or senior manager shall be involved in any decisions as to their own remuneration outcome. The Board itself or, where required by the Articles of Association, the shareholders should determine the remuneration of the non-executive directors within the limits set in the Articles of Association;
- 6.2.6. in determining remuneration policy, take into account all other factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders;
- 6.2.7. review the ongoing appropriateness and relevance of the remuneration policy;
- 6.2.8. within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive Officer, as appropriate, determine the total individual remuneration package of each executive director, the Company Chair and senior managers 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 company and individual performance, and wider circumstances;
- 6.2.9. have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company. However the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants;
- 6.2.10. review the design of all share incentive plans for approval by the Board and, where required, 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 for executive directors and senior managers, and the performance targets to be used;

6.2.11. review workforce remuneration and related policies; and

6.2.12. work and liaise as necessary with other Board Committees, ensuring the interaction between Committees and with the Board is reviewed regularly.

## **7. Reporting Responsibilities**

7.1. The Chair of the Committee shall report formally to the Board on the nature and content of its discussion, recommendations and actions to be taken.

7.2. 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 where necessary.

7.3. The Committee shall provide a description of its work in the annual report in line with the requirements of the UK Corporate Governance Code.

7.4. The Committee shall also ensure that the provisions regarding disclosure of information as set out in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the Code are fulfilled, and that a report on the directors' remuneration is included in the Company's annual report and put to shareholders for an advisory vote at the Annual General Meeting as necessary.

7.5. If the Committee has appointed remuneration consultants, the consultant should be identified in the annual report alongside a statement about any other connection it has with the Company or individual directors.

## **8. Other Matters**

8.1. The Committee shall:

8.1.1. have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required;

8.1.2. 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;

8.1.3. give due consideration to all relevant laws and regulations, the provisions of the UK Corporate Governance Code and published guidance or recommendations regarding the remuneration of company directors and the formation and operation of share incentive plans, the requirements of the FCA's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules sourcebook, and any other applicable rules, as appropriate;

8.1.4. ensure that a periodic evaluation of the Committee's own performance is carried out; and

- 8.1.5. 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.

## **9. Authority**

9.1. The Committee is authorised to:

- 9.1.1. seek any information it requires from any employee of the Company in order to perform its duties;
- 9.1.2. obtain, at the Company's expense, any outside legal or other independent professional advice on any matter it believes it necessary to do;
- 9.1.3. call any employee to be questioned at a meeting of the Committee as and when required; and
- 9.1.4. appoint remuneration consultants and to commission or purchase any information, reports or surveys which it deems necessary to help it fulfil its obligations at the expense of the Company, but within any budgetary restraints imposed by the Board.