

## TERMS OF REFERENCE

### Nomination and Remuneration Committee (the "Committee") of Wilmcote Holdings Plc (the "Company")

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References to the "Board" shall mean the full Board of Directors.

#### MEMBERSHIP

- The Board has resolved to establish a committee of the Board to be known as the Nomination and Remuneration Committee.
- The Committee shall comprise at least three directors, unless the Board consists of less than three directors.
- The Board intend for the Committee to consist of Independent Non- Executive Directors ("INED"), once appointed to the Board.
- The Board shall appoint the Committee chairman (the "**Chairman**") In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- The Company Secretary or their nominee shall act as the Secretary of the Committee ("**Secretary**").
- The membership of the Committee, and requirements of membership, will be revisited post platform acquisition when the composition of the Board will be amended.

#### NOMINATION DUTIES

The Committee should carry out the duties below for the Company, major subsidiary undertakings and the group as a whole, as appropriate.

In carrying out its nomination duties, the Committee shall:

- regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- give full consideration to the Board's succession as appropriate, including planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise considered necessary for the Board in the future;
- keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it intends to operate post platform acquisition;
- be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise, having evaluated the balance of skills, knowledge, experience and diversity of the Board and considered all potential conflicts of interest. In identifying suitable candidates, the Committee:
  - o may use open advertising or the services of external advisers to facilitate the search;
  - o shall consider candidates from a wide range of backgrounds; and
  - o shall consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- prior to the appointment of a director, obtain disclosure from the proposed appointee of any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- review the results of the board performance evaluation process that relate to the composition of the Board;
- ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment (including training and induction), committee service and involvement outside Board meetings;

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- review annually the time required from the non-executive directors. Performance evaluation should be used to assess the non-executive directors, their performance and whether they are spending enough time to fulfil their duties; and
- work and liaise as necessary with other Board committees.

The Committee shall also make recommendations to the Board concerning:

- memberships of the audit and risk committee and the Committee, and any other Board committees as appropriate, in consultation with the chairmen of those committees;
- the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and
- the appointment of any director to executive or other office.

### **REMUNERATION DUTIES**

As set out in the QCA Code ("Code") the overarching remuneration roles of the Committee are as follows:

- develop remuneration packages which motivate directors and support the delivery of business objectives in the short, medium and long-term;
- align the interests of the executive directors with the interests of long-term shareholders;
- encourage executives to operate within the risk parameters set by the board; and
- ensure that the company can recruit and retain high-quality executives through packages which are fair and attractive, but not excessive.

The Committee shall:

- determine and agree with the Board the overall approach for the remuneration of the Company's executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the Board. No director or senior manager shall be involved in any decisions as to their own remuneration;
- recommend and monitor the level and structure of remuneration for senior management.
- take into account such factors that it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the QCA Code and associated guidance. The objective of such approach shall be to encourage retention and recruitment of executives of the calibre required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. Consideration should also be given to the risk appetite of the Company and alignment to the Company's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company.;
- when setting remuneration for executive directors, review and have regard to pay and employment conditions across the company or group, especially when determining annual salary increases;
- obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations, the Committee shall 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 but within any budgetary restraints imposed by the Board;
- be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;

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- approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total actual payments made under such schemes;
- within the terms of the agreed approach and in consultation with the chairman of the Board and/or the Chief Executive Officer (as appropriate), determine the total individual remuneration packages of each executive director including, where appropriate, bonuses, incentive payments and share options and other share awards;
- in determining such packages and arrangements, give due regard to the comments and recommendations of the QCA Code as well as the AIM rules and associated guidance;
- ensure the 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;
- oversee any major changes in employee benefit structures throughout the Company or group; and
- agree the policy for authorising claims for expenses from the directors.

### **MEETINGS**

- The quorum for the Committee meetings shall be two. The Committee shall meet formally at least twice a year or otherwise as required.
- A meeting of the Committee may be called by any member of the Committee or the Secretary.
- Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers shall be forwarded to each member of the Committee and any other person required to attend, approximately 3 working days prior to the date of the meeting.
- Only members of the Committee have the right to attend Committee meetings. Others may be called upon to attend or speak by prior arrangement with the chairman of the Committee.
- The Secretary shall keep appropriate records of all meetings of the Committee with appropriate minutes of the proceedings and resolutions.
- Draft minutes of Committee meetings shall be circulated to the Chairman for review and then to all members of the Committee. Once approved, minutes shall be circulated to all other members of the Board upon their request unless in the opinion of the Chairman it would be inappropriate to do so.
- The Committee Chairman shall attend the Company's Annual General Meeting to answer any shareholder questions on the Committee's activities.

### **REPORTING RESPONSIBILITIES**

- The Committee Chairman shall report to the Board on all matters within the Committee's duties and responsibilities.
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- The Committee shall produce a report to be included in the Company's annual report about its activities in compliance with the QCA Code.
- Through the chairman of the Board, the Committee shall ensure that the Company maintains contact as required with its principle shareholders about remuneration.

### **OTHER MATTERS**

The Committee shall:

- have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required;
- 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;



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- give due consideration to laws, regulations and any published guidelines or recommendations regarding the nomination and remuneration of directors of listed companies and formation and operation of share schemes; and
- 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.

#### **AUTHORITY**

- The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.
- The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.