

Gresham House plc (the “Company”)
Remuneration committee (the “Committee”)
Terms of Reference

1. Constitution

The Committee is constituted and appointed by the board of directors of the Company (the “**Board**”) (on recommendation of the Nominations Committee) in accordance with the articles of association of the Company.

2. Duties and terms of reference

2.1 The Committee shall:

- 2.1.1 determine and agree with the Board the framework or broad policy for the remuneration of the Company’s executive directors. The remuneration of non-executive directors shall be a matter for the Board or the shareholders (within the limits set in the articles of association). No director shall be involved in any decisions as to their own remuneration. The Committee shall recommend and monitor the level and structure of remuneration for senior management;
- 2.1.2 in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance including the contents of the QCA Code, the AIM Rules and FCA regulations. The objective of such policy shall be to attract, retain and motivate the executive management of the Company without paying more than necessary. The remuneration policy will bear in mind the Company’s appetite for risk and be aligned 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 be designed to promote the long term success of the Company;
- 2.1.3 ensure that provisions regarding disclosure of information, as set out in the UK Corporate Governance Code, are fulfilled and produce a report of the Company’s remuneration policy and practices to be included in the Company’s annual report. If the Committee has appointed remuneration consultants, the annual report of the Company’s remuneration policy should identify such consultants and state whether they have any other connection with the Company;
- 2.1.4 review the ongoing appropriateness and relevance of the remuneration policy;
- 2.1.5 when setting remuneration policy for directors, review and have regard to the pay and employment conditions across the Company, especially when determining salary increases;
- 2.1.6 approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- 2.1.7 review the design of all share incentive plans for approval by the Board. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other senior executives, and the performance targets to be used;
- 2.1.8 give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies and formation and operation of share schemes as appropriate;
- 2.1.9 within the terms of the agreed policy and in consultation with the chairperson of the Board and/or Chief Executive as appropriate, determine the total individual remuneration package of each executive director including where appropriate, bonuses, incentive payments, pension arrangements and share options or other share awards;

- 2.1.10 ensure, with respect to the senior management of the group, that contractual terms on termination and any payments made are fair to the individual and the Company; that failure is not rewarded and the duty to mitigate loss is fully recognised;
- 2.1.11 be aware of and advise on any major changes in employee benefit structures throughout the group;
- 2.1.12 agree the policy for authorising claims for expenses from the directors;
- 2.1.13 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 2.1.14 arrange for periodic reviews of its own performance and, at least once a year, 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;
- 2.1.15 have access to sufficient resources in order to carry out its duties, including access to the Secretary for assistance as required and 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;
- 2.1.16 obtain reliable, up-to-date information about remuneration in other companies of comparable scale and in the relevant sector. The Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary to help it fulfil its obligations within any budgetary restraints imposed by the Board;
- 2.1.17 make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed; and
- 2.1.18 consider such other matters as may be requested by the Board and work and liaise as necessary with all other Board committees.

3. Membership

- 3.1 The Board shall appoint the Committee chairperson who shall be an independent non-executive director. In the absence of the Committee chairperson and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The chairperson of the Board shall not be chairperson of the Committee.
- 3.2 The members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the chairperson of the Committee. The members of the Committee can be varied at any time by a majority resolution of the existing members of the Committee save that any additional appointment must still be an independent non-executive director.
- 3.3 All of the members of the Committee should be independent non-executive directors. Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence. Appointments to the Committee shall run for the same period as each non-executive director's term of office.
- 3.4 The Committee shall have at least three members, all of whom shall be independent non-executive directors. The chairperson of the Board may also serve on the Committee as an additional member, but not the chair the Committee, if he or she was considered independent on appointment as chairperson.
- 3.5 It has been agreed that the members of the Committee are Anthony Townsend, Sarah Ing, Rachel Beagles, Gareth Davis and Simon Stilwell, all of whom are considered to be independent non-executive directors and the Committee shall be chaired by Simon Stilwell.
- 3.6 A quorum shall be any two members of the Committee.

4. Attendance at meetings

- 4.1 The Committee will meet at least once a year. The Committee may meet at other times during the year as required.

- 4.2 Only members of the Committee have the right to attend Committee meeting but other directors and external advisers may be invited to attend all or part of any meeting as and when appropriate.
- 4.3 The Company secretary or his or her nominee shall be the secretary of the Committee (“**Secretary**”) 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.

5. Notice of meetings

- 5.1 Meetings of the Committee shall be summoned by the Secretary at the request of the chairperson of the Committee.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time.

6. Authority

- 6.1 The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to obtain, at the Company's expense, legal or professional advice on any matter within its terms of reference.
- 6.2 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.
- 6.3 The Committee is authorised to seek any information it requires from any employee of the group, and all such employees will be directed to co-operate with any request made by the Committee.
- 6.4 The Committee is authorised to obtain such legal or independent professional advice and such advisers may attend meetings as necessary.

7. Reporting

- 7.1 The proceedings and resolutions of the Committee meetings, including the names of those present and in attendance shall be minuted by the Company Secretary.
- 7.2 Draft minutes of each meeting will be circulated promptly and, in any event no later than 14 days after each meeting, to all members of the Committee. Once approved, the minutes of each meeting will be circulated to all other members of the Board unless, in the opinion of the chairperson, it would be inappropriate to do so. The Committee chairperson shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.3 The frequency of, and attendance by members at, Committee meetings will be reported in the Company's annual report.

8. Engagement with shareholders

- 8.1 The chairperson of the Committee should make him or herself available at each Annual General Meeting of the Company to answer questions concerning the Committee's work.
- 8.2 Through the chairperson of the Committee, the Committee should ensure that the Company maintains contact as required with its principal shareholders about remuneration.