

KINOVO PLC

Terms of Reference of the Remuneration Committee Adopted by resolution of the Board 30 June 2021

1 Definitions

In this document:

- (a) **Board** means the board of directors of the Company;
- (b) **Chair** means the Chair of the Board;
- (c) **Committee** means the Remuneration Committee of the Board;
- (d) **Committee Chair** means the member appointed as the Chair of the Committee; and
- (e) **Company** means Kinovo PLC.

2 Purpose

The Committee is appointed by the Board to assist the Board in setting executive director remuneration and to develop and submit to the Board recommendations with respect to other employee benefits considered advisable.

3 Constitution

The Committee was constituted at a full meeting of the Board in accordance with the articles of association of the Company.

4 Membership

- 4.1 The Committee shall be made up of at least two members. All members of the Committee shall be independent non-executive directors.
- 4.2 Members of the Committee shall be appointed by the Board in consultation with the Committee Chair.
- 4.3 Appointments to the Committee shall be 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 members continue to remain independent.
- 4.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of any meeting as and when appropriate and necessary. However, these persons shall not be involved in any decision or present at any discussions for the Committee as to their own remuneration.
- 4.5 The Board shall appoint the Committee Chair from among the members of the Committee who shall be an independent non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

5 Secretary

- 5.1 Such person as the Board may determine from time to time, not being an executive director of the Company, shall be the secretary of the Committee.
- 5.2 The secretary of the Committee will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to all issues.
- 5.3 In the absence of the secretary of the Committee, the members present at the meeting shall elect another person to act as secretary for the purposes of that meeting.

6 Quorum

The quorum necessary for the transaction of business shall be any two members.

7 Meetings

- 7.1 The Committee shall meet at least twice a year. The Committee may meet at other times during the year as required, or as agreed between the members of the Committee or as requested by the Committee Chair.
- 7.2 Members may participate in a meeting of the Committee by means of conference telephone or other communication equipment.
- 7.3 Notwithstanding the quorum requirements for the Committee, all members of the Committee should endeavour to attend all meetings of the Committee at which matters of general remuneration policy or the contents of the Committee's annual report to shareholders are discussed.
- 7.4 The Committee should hold an in-camera session (meaning a closed session in which sensitive matters are discussed) without any senior management present at each meeting.
- 7.5 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 7.6 If a matter being considered by the Committee is one where a member of the Committee, either directly or indirectly, has a personal interest, that member shall not be permitted to vote at the meeting.
- 7.7 Any matter to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose.
- 7.8 Save where he has a personal interest, the Committee Chair will have a casting vote.
- 7.9 Any action of the Committee may also be taken by an instrument or instruments in writing signed by all of the members of the Committee (including in counterparts) and any such action shall be as effective as if it had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose.

8 Notice of meetings

- 8.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members or at the request of the Committee Chair.

- 8.2 Unless otherwise agreed by consent of all members in writing, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working 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.

9 Minutes of meetings

- 9.1 The secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 9.2 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 9.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all members of the Board unless it would be inappropriate to do so.

10 Annual General Meeting

The Committee Chair shall attend the annual general meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

11 Duties

- 11.1 The Committee should carry out the duties below for the Company, major subsidiary undertakings and the group as a whole, as appropriate.
- 11.2 The Committee shall:
- (a) determine and agree with the Board the framework or broad policy for the remuneration of the Chair, the executive directors and such other members of the executive management as it is designated by the Board to consider including pension rights and compensation payments. No director or senior manager shall be involved in any decisions as to their own remuneration;
 - (b) recommend and monitor the level and structure of remuneration for executive directors and, where relevant, other senior management (as determined by the Board);
 - (c) 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. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the long-term success of the Company;
 - (d) when setting the remuneration policy for directors (in particular in respect of annual salary increases), review and have regard to the remuneration trends across the Company or group;
 - (e) review the ongoing appropriateness and relevance of the Group wide remuneration policy;
 - (f) within the terms of the agreed policy and in consultation with the Chair and/or the

chief executive officer, as appropriate, annually reviewing and determining the total individual remuneration package of the Chair, each executive director and, where relevant, other senior executives of the Company, including bonuses, incentive payments and share options or other share awards;

- (g) review and approve corporate goals and objectives relevant to the chief executive officer's remuneration, evaluate the chief executive officer's performance in light of those corporate goals and objectives, and determine the chief executive officer's remuneration level based on this evaluation;
- (h) 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, within any budgetary restraints imposed by the Board;
- (i) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- (j) 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;
- (k) review, and make a recommendation to the Board with respect to, any share ownership guidelines applicable to senior executives and directors and review the shareholdings of the senior executives and directors based on such guidelines established from time to time;
- (l) review the design of all share incentive plans for approval by the Board and 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 to executive directors and, where relevant, other senior executives, and the performance targets to be used;
- (m) determine the policy for, and scope of, pension arrangements for each executive director and, where relevant, other senior executives;
- (n) ensure that 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;
- (o) oversee any major changes in employee benefits structures throughout the Company or group;
- (p) review, and make a recommendation to the Board with respect to, any disclosure related to executive remuneration;
- (q) agree the policy for authorising claims for expenses from the directors; and
- (r) consider such other matters as may be requested by the Board and work and liaise as necessary with all other Board committees.

The remuneration of the non-executive directors (including the Chair, if non-executive) shall be a matter for the executive members of the board.

12 Reporting responsibilities

- 12.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 12.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 12.3 The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's annual report and ensure each year that it is put to shareholders for approval at the annual general meeting. 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.
- 12.4 Through the Chair, the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.

13 Other matters

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required;
- (b) 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;
- (c) at all times give due consideration to the provisions and recommendations in the Quoted Companies Alliance (**QCA**) Corporate Governance Code, the QCA's Remuneration Committee Guide, the requirements of the AIM Rules for Companies published by the London Stock Exchange plc and any other applicable laws and published guidelines regarding the remuneration of directors of small and mid-size listed companies; and
- (d) 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.

14 Authority

- 14.1 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.
- 14.2 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.
- 14.3 The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.