

T R I B A L

REMUNERATION COMMITTEE – TERMS OF REFERENCE

TRIBAL GROUP PLC

Version 4.0 adopted by the Board on 23 June 2021

Reviewed and approved by the Committee on 14 June 2021



Terms of Reference

1. The Remuneration Committee

1.1 The Remuneration Committee:

- a) is a sub-committee of the Board and shall make recommendations to the Board on general remuneration policy and determine on behalf of the Board specific remuneration packages for each of the Executive Directors, Chair and Senior Management;
- b) has a primary responsibility of reviewing remuneration schemes and policies, in its widest sense (see below);
- c) will develop remuneration packages which:
 - i. motivate and support the delivery of business objectives in the short, medium and long term;
 - ii. align the interests of Executive Directors and Senior Management with the interest of long term shareholders;
 - iii. encourage Executive Directors and Senior Management to operate within the risk parameters set by the Board; and
 - iv. ensure that the company can recruit and retain high-quality Executive Directors and Senior Management which are fair and attractive and maximise staff retention, but are not excessive;
- d) will meet sufficiently frequently and for long enough to perform its duties effectively.

2. Membership

- 2.1 There should be a minimum of two members both of whom shall be independent non-executive directors appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chair of the Remuneration Committee.
- 2.2 Appointments to the Remuneration Committee shall be for a period of up to three years, which may be extended by no more than two further periods of up to three years, provided the director still meets the criteria for membership of the Remuneration Committee.
- 2.3 The Chair of the Board may also serve on the Remuneration Committee as an additional member if he or she was considered independent upon their appointment but may not chair the Remuneration Committee.
- 2.4 The majority of members, apart from their directors' fees and shareholdings (if applicable), should be independent of management and free from any involvement which might significantly interfere with their ability to judge matters independently.
- 2.5 The Company Secretary shall be the Committee Secretary and proper minutes shall be kept of its proceedings which shall be circulated to all members of the Remuneration Committee.
- 2.6 Once approved, minutes should be circulated to all other directors of the Company unless in the opinion of the Remuneration Committee Chair it would be inappropriate to do so.

3. Meetings

- 3.1 Remuneration Committee meetings shall be held at least twice a year and at such other times as the Chair of the Remuneration Committee considers appropriate and necessary.
- 3.2 The quorum necessary for the transaction of business shall be two members.

3.3 Unless otherwise agreed by all members of the Remuneration Committee, notice of meetings, confirming the venue, time, and date, together with an agenda and all relevant papers, should normally be circulated to each member of the Remuneration Committee, to any other person required to attend, and to all other Non-Executive Directors, at least five working days prior to the date of the meeting.

3.4 Only members of the Remuneration Committee have the right to attend Remuneration Committee meetings. The Chief Executive Officer and/or Chief Financial Officer or other non-members may be invited to attend all or part of the meeting as and when appropriate and necessary.

4. Annual General Meeting

4.1 The Chair of the Remuneration Committee should attend the Annual General Meeting of the Company to answer any shareholder questions on the activities of the Remuneration Committee.

5. Chair

5.1 The Board, on the recommendation of the Nomination Committee, shall elect one of the members to act as Chair of the Remuneration Committee, who will be an independent Non-Executive Director.

5.2 The Remuneration Committee Chair is responsible for:

- a) preparing the agenda;
- b) the timely distribution of the agenda and any supporting papers providing comprehensive information to enable informed decision making;
- c) chairing Remuneration Committee meetings and ensuring the effective operation of the Remuneration Committee
- d) reporting to the Board on issues and decisions made;
- e) ensuring the Remuneration Committee addresses all tasks delegated to it;
- f) ensuring that the decisions made about each Executive Director's remuneration package, including KPIs required for annual or long-term incentive schemes, are both clearly recorded and clearly communicated in a timely manner;
- g) answering questions about the Remuneration Committee's work at the AGM; and
- h) briefing any consultants retained to provide independent advice on market practice (and for which advice a budget should be provided, when necessary).

5.3 In the absence of the Chair of the Remuneration Committee and/or an appointed deputy, the members present shall select one of their number to chair the meeting (other than the Chair of the Company, if he is a member of the Remuneration Committee).

6. Committee Member

6.1 A remuneration committee member:

- a) should be prepared to justify the decisions of the Remuneration Committee to Executive Directors and Senior Management and be independent in line with the company's adopted corporate governance code;
- b) should be willing and able to resist unjustified demands from the Executive Directors and Senior Management;
- c) should always be willing to seek and take into consideration the views of shareholders;

- d) must commit sufficient time to the role and be willing to develop the necessary skills and knowledge (including, for example, current market practice, taxation, and legal requirements) to work as part of a small committee; and
- e) should be prepared to seek external advice when necessary, to enable informed decision making.

7. Remuneration

- 7.1 'Remuneration' is not confined simply to salaries and bonuses. It now has a wider definition and includes pension arrangements, share options, share save schemes, employees' share ownership schemes (ESOP's), funded unapproved retirement benefit schemes (FURBS) and anything that is intended as 'pay' for any employee. It also includes fringe benefits e.g., Company cars, use of Company premises for living purposes and so on. Many of these matters will be covered in service agreements but the Remuneration Committee should determine not only the Company's overall policy but also what is appropriate in individual cases.

8. External Advice

- 8.1 The Remuneration Committee shall be authorised to take such external advice and to commission or purchase any reports, surveys, or information as it shall consider appropriate to determine the remuneration, terms of service and incentives of the Executive Directors and other Senior Management at the expense of the Company but within the budgetary constraints agreed by the Board of £50,000.
- 8.2 The Remuneration Committee is exclusively responsible for establishing the selection criteria, selecting, appointing and setting the Terms of Reference for any remuneration consultants who advise the Remuneration Committee.
- 8.3 The Remuneration Committee will exercise independent judgment when evaluating the advice of external third parties; and
- 8.4 Where remuneration consultants are appointed, they should be identified in the Annual Report alongside a statement about any other connection they have with the company or individual Directors.

9. Non-Executive Director Remuneration

- 9.1 The Remuneration Committee shall have no authority in relation to the remuneration of the Non-Executive Directors. The Board itself, or where required by the Company's Articles of Association, the shareholders, should determine the remuneration of the Non-Executive Directors within the limits set out in the Company's Articles of Association. No Director or Senior Management shall be involved in any decisions as to their own remuneration.

10. Duties

- 10.1 The Remuneration Committee shall have regard to and shall comply with the Quoted Compliance Alliance Remuneration Committee Guide (2020) and the UK Corporate Governance Code 2018 relating to Remuneration Committees, so far as practicable for a Company of the size and nature of the Company, and any authoritative best practice guidelines for Remuneration Committees published from time to time.
- 10.2 The Remuneration Committee should carry out the duties listed below for the Company, major subsidiary undertakings, and the Group as a whole, as appropriate.

10.3 The Remuneration Committee shall:

- a) have responsibility for setting the remuneration policy for Executive Directors, Chair of the Board and Senior Management, including pension rights and compensation payments;
- b) recommend and monitor the level and structure of the remuneration and all other benefits of all Executive Directors and Senior Management;
- c) in determining the remuneration policy, the Remuneration Committee should:
 - i. take into account all factors which it deems necessary including relevant legal and regulatory requirements and associated guidance;
 - ii. be mindful that Executive Director and Senior Management remuneration should be designed to promote the long-term success of the Company, without paying more than is necessary, having regard to the views of shareholders and other stakeholders and that performance-related elements are transparent, stretching and rigorously applied;
 - iii. consider an appropriate balance between fixed and performance-related remuneration, immediate and deferred remuneration;
 - iv. have regard to the risk appetite of the Company and alignment to the Company's long term strategic goals, with remuneration incentives which are compatible with the Company's risk policies and systems;
 - v. structure a significant proportion of remuneration so as to link rewards to corporate and individual performance, with performance conditions (including non-financial metrics where appropriate) which are relevant, stretching and designed to promote the long-term success of the Company;
 - vi. be sensitive to the wider scene, including pay and employment conditions elsewhere in the Group especially when determining annual salary increases; and
 - vii. include performance-related elements of remuneration as a significant proportion of the total remuneration packages and those elements should be designed to align the interests of Executive Directors and Senior Management with those of shareholders and give keen incentives to perform at the highest levels;
- d) review the ongoing appropriateness and relevance of the remuneration policy;
- e) within the terms of the agreed remuneration policy and taking care to recognise and manage conflicts of interest when receiving views from Executive Directors or Senior Management or consulting the Chief Executive about its proposals, determine the individual remuneration package of each Executive Director, the Company Chair and Senior Management, including bonus, incentive payments and share option or other share awards;
- f) to exercise the power to take advice from any person it may deem necessary to help the Remuneration Committee to achieve their purpose and objectives;
- g) obtain reliable, up to date information about remuneration in other companies of comparable scale and complexity;
- h) make available its Terms of Reference, explaining its role and the authority delegated to it by the Board;

- i) approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments and share-based remuneration made under such schemes (in accordance with relevant legal and regulatory requirements and associated guidance). Such schemes should include provisions that would enable the Company to recover sums paid or withhold the payment of any sum, and specify the circumstances in which it would be appropriate to do so;
 - j) continually review, investigate, report upon and recommend as appropriate all forms of reward that might be applicable including share options, pension schemes, ESOPs, FURBS and so on;
 - k) operate and administer the Company's share incentive plans in accordance with the respective rules thereof; review the design of all share incentive plans for approval by the Board and shareholders; make recommendations to the Board as to any adjustments to the terms of such plans and as to proposals intended for submission to shareholders in relation to such plans; and for any such plans, determine each year whether awards will be made and, if so:
 - i. the overall amount of such awards;
 - ii. the individual amounts to Executive Directors, Senior Management and Company Secretary;
 - iii. whether Executive Directors should be required to hold a minimum number of their shares and to hold shares for a further period after vesting or exercise (including for a period after leaving the Company), subject to the need to finance any costs of acquisition and associated tax liabilities; and
 - iv. the performance targets to be used;
 - l) determine the policy for, and scope of, pension arrangements for each Executive Director and Senior Management;
 - m) ensure that termination contractual terms and payments are fair to the individual and the Company whilst ensuring that failure is not rewarded and that the duty to mitigate loss is fully recognised;
 - n) oversee any major changes in employee benefit structures throughout the Company or Group;
 - o) agree the policy for authorising claims for expenses from the Directors;
 - p) keep a watching brief over the Chair's proposed remuneration and conditions of employment for Senior Management;
 - q) approve all appointments that attract either a base salary of £150,000 or a total remuneration package of £250,000, whichever being the least; and
 - r) work and liaise as necessary with all other Board committees.
- 10.4 The Remuneration Committee has discretion in relation to all remuneration schemes and policies to override formulaic outcomes. The Remuneration Committee may also recommend actions to recover and/or withhold sums or share awards where considered appropriate, e.g. impropriety or misconduct.
- 10.5 The Remuneration Committee shall also consider such other topics as are defined by the Board from time to time.


11. Reporting responsibilities

- 11.1 The Remuneration Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Remuneration Committee shall ensure that statutory provisions regarding disclosure of information, including pensions, in the Company's Annual Report and accounts are fulfilled and shall produce a report of the Company's remuneration policy and practices to be included in the annual report and ensure each year that it is put to shareholders for approval at the Annual General Meeting.
- 11.4 Through the Chair of the Board, the Chair of the Remuneration Committee shall ensure that Remuneration Committee maintains contact as required with its principal shareholders about remuneration.

12. Other Matters

- 12.1 The Remuneration Committee shall:
 - a) 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, including but not limited to the provisions of the Quoted Compliance Alliance Remuneration Committee Guide (2020), UK Corporate Governance Code 2018, the requirements of the Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules as well as guidelines published by the Investment Association and the National Association of Pensions Funds and any other applicable rules, as appropriate;
 - b) review the remuneration policy in detail at least once every three years to ensure its ongoing relevance in the context of:
 - i. the company's development, evolving business practices and performance;
 - ii. regulatory changes;
 - iii. the views of major shareholders;
 - iv. developments in market practice; and
 - v. the profile of Executive Directors and Senior Management (including stage in career and ownership interest).
 - c) 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; 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.
- 12.2 References in these Terms of Reference to "Senior Management" shall mean the Executive Board or the first layer of management below board level, including the Company Secretary.

**Approved by the Remuneration
Committee**

Signed: 
 Roger McDowell
 Remuneration Committee - Chair

Date: 14-Jun-21 | 09:25 BST

Adopted by the Plc Board

Signed: 
 Richard Last
 Tribal Group Plc Chair

Date: 04-Jul-21 | 13:03 BST

Document History

Version Number	Date	Detail of Amendments	Author of Amendments
v2.0	28 November 2019	ToR Approved by Rem Co & Adopted by Plc Board	Paul Simpson
v2.0	16 December 2020	Nigel Halkes appointed as a member of the Rem Co ToR Approved by Rem Co & Adopted by Plc Board	Ken Lewis
v3.0	23 February 2021	Amendments to align to the QCA – Remuneration Committee Guide 2020	Ken Lewis
v4.0	10 June 2021	£50k cap on External Advice included – Paragraph 8.1 All references to Chairman replaced with Chair	Victoria Brunswick

Document Owner and Contact Details

All proposals for amendments to this document should be addressed to the following:

Role & Name	Contact Details
Ken Lewis	Company Secretary