

R.E.A. HOLDINGS PLC
TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE
(Adopted pursuant to a resolution of the board dated 30 March 2020)

1. INTRODUCTION

The UK Corporate Governance Code (the "**Code**") states that:

A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration.

The Code further provides that:

The board should establish a remuneration committee ... with appropriate terms of reference, which should be published on the company website.

A copy of the Code, should members of the committee need to consult it, can be obtained from the company secretary.

These terms of reference set out the terms upon which the remuneration committee of the board (the "**committee**") is now appointed, the role to be performed by the committee, and the authority delegated to the committee by the board. Such terms take effect from 30 March 2020 and shall be in substitution for the previous terms of reference of the committee which shall be of no further effect.

2. TERMS OF REFERENCE TO BE MADE AVAILABLE

The committee shall make available these terms of reference by causing them to be published on the company's website and by providing copies upon written request.

3. MEMBERSHIP

- 3.1 The members of the committee shall be appointed by the board on the recommendation of the nomination committee and in consultation with the chairman of the committee.
- 3.2 The committee shall comprise at least two members, all of whom shall be independent non-executive directors.
- 3.3 The chairman of the board may serve on the committee as an additional member if he/she were considered independent on appointment as chairman.
- 3.4 The board shall appoint the chairman of the committee (the "**chairman**"), who shall be an independent non-executive director and who shall have served on a remuneration committee for at least 12 months. In the absence of the chairman and/or an appointed deputy at a committee meeting, 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 chairman of the board shall not be eligible to be appointed as chairman of the committee.

4. SECRETARY

- 4.1 The company secretary or its nominee shall act as the secretary of the committee (the "**secretary**").
- 4.2 The secretary 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. MEETINGS

- 5.1 **Frequency:** Meetings of the committee shall be held at least once per year and otherwise as required.
- 5.2 **Right to attend:** No one other than the committee members shall be entitled to be present at a meeting of the committee. However, others may attend for all or any part of the meeting at the invitation of the committee, as required.
- 5.3 **Notice:** Meetings of the committee shall be summoned by the secretary, at the request of the chairman or any of the committee's members.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be sent to each member of the committee and, to the extent appropriate, any other person invited to attend prior to the date of the meeting.

- 5.4 **Quorum:** The quorum necessary for the transaction of business 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.
- 5.5 **Voting:** The chairman shall have a casting vote on all matters in the event of an equality of votes.
- 5.6 **Minutes:** Minutes of the proceedings and resolutions of all committee meetings, including the names of those present and in attendance, shall be prepared.

Draft minutes of committee meetings shall be circulated to all members of the committee. Once approved, the minutes should be circulated to all other members of the board and the company secretary unless, exceptionally, it would be inappropriate to do so.

6. ENGAGEMENT WITH SHAREHOLDERS

The chairman shall attend the annual general meeting to respond to any shareholder questions on the committee's activities. In addition, the chairman shall seek to engage with shareholders on significant matters related to the committee's areas of responsibility.

7. DUTIES

The committee should carry out the duties detailed below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

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.

The committee shall:

- 7.1 have delegated responsibility for determining the policy for directors' remuneration and setting remuneration for the company's chairman, executive directors and senior management, including the company secretary, in accordance with the Principles and Provisions of the Code;
- 7.2 establish remuneration schemes, if any, 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 five years, and a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares;

- 7.3 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;
- 7.4 when determining executive director remuneration policy and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
- 7.5 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;
- 7.6 review the ongoing appropriateness and relevance of the remuneration policy in light of business strategy and the groups purpose and values;
- 7.7 within the terms of the agreed policy and in consultation with the chair and/or chief executive, 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;
- 7.8 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, establishing the selection criteria and terms of reference as appropriate. However, the committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants;
- 7.9 review the design of any 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;
- 7.10 review workforce remuneration and related policies and practices;
- 7.11 work and liaise as necessary with other board committees, ensuring the interaction between committees and with the board is reviewed regularly.

8. REPORTING RESPONSIBILITIES

- 8.1 The chairman shall report to the board after each meeting on the nature and content of its discussion, recommendations and action to be taken.
- 8.2 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 when necessary.
- 8.3 The committee shall provide a description of its work in the annual report in line with the requirements of the Code.

- 8.4 The committee shall also ensure that 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 policy and practices is included in the company's annual report and put to shareholders for approval at the annual general meeting as necessary.
- 8.5 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.

9. OTHER MATTERS

The committee shall:

- 9.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required;
- 9.2 be provided with appropriate and timely training in the form of an induction programme for new members and an ongoing basis for all members;
- 9.3 give due consideration to all relevant laws and regulations, the provisions of the Code and published guidelines 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 and Guidance and Transparency Rules sourcebook, and any other applicable rules, as appropriate;
- 9.4 ensure that a periodic evaluation of the committee's own performance is carried out;
- 9.5 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.

10. AUTHORITY AND POWERS

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