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Peel Hunt Limited (the "Company")

# REMUNERATION COMMITTEE TERMS OF REFERENCE

8 December 2023

**PEEL HUNT LIMITED**  
(the "Company")

**Remuneration Committee Terms of Reference**

Approved and Adopted by the Board of the Company  
At a Board Meeting held 8 December 2023

**1. CONSTITUTION**

- 1.1. The board of directors of the Company (the "**Board**") has established a committee of the Board known as the Remuneration Committee (the "**Committee**"). These Terms of Reference govern the meetings and proceedings of the Committee.

**2. MEMBERSHIP AND ATTENDANCE**

- 2.1. The Committee shall comprise at least two members, with the usual number being three. All members of the Committee shall be non-executive directors, all of whom shall be independent. The chair of the Board may also serve on the Committee as an additional member if they were considered independent on appointment as chair. If the Board decides that a member of the Committee is no longer independent, that member will cease to be a member of the Committee (other than the Chair of the Board, if they are a member of the Committee).
- 2.2. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the chair of the Committee (the "**Committee Chair**"). Appointments shall be for a period of up to three years which may be extended for up to two additional three-year periods provided members (other than the chair of the Board, if they are a member of the Committee) continue to be independent.
- 2.3. Only members of the Committee have the right to attend Committee meetings. However, the Chief Executive Officer, Chief Financial and Operating Officer, the Human Resources Director as well as the Company's Committee advisor(s) may be invited to attend all or part of meetings, as and when appropriate. Individuals should not attend any part of any meeting when their own remuneration is under discussion.
- 2.4. The Board shall appoint the Committee Chair. In the absence of the Committee Chair and/or an appointed deputy at a Committee meeting, the remaining members present shall elect one of their number to preside as Committee Chair. The Chair of the Board shall not be Committee Chair.

**3. SECRETARY**

- 3.1. The Company Secretary, or his or her nominee, shall act as 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 issues.
- 3.2. The Secretary shall ascertain, at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly.

**4. QUORUM**

- 4.1. The quorum necessary for the transaction of business shall be two members.
- 4.2. 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.
- 4.3. The Committee may hold meetings in person, by telephone or using any other method of electronic communication that permits the participants to communicate adequately with each other during the meeting.

## **5. FREQUENCY OF MEETINGS**

- 5.1. The Committee shall meet at least four times a year and otherwise as required.
- 5.2. Outside of formal meetings, the Committee Chair will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chair, the Chief Executive Officer, the Chief Financial & Operating Officer, and the Human Resources Director.

## **6. NOTICE OF MEETINGS**

- 6.1. Meetings of the Committee shall be convened by the Secretary at the request of the Committee Chair or at the request of its members.
- 6.2. Unless otherwise agreed, 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 and any other person required to attend no later than five 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.
- 6.3. Shorter notice and/or late submission or circulation of supporting papers will be permitted at the discretion of the Committee Chair.
- 6.4. Notices and supporting papers may be circulated electronically.

## **7. MINUTES OF MEETINGS**

- 7.1. The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2. Draft minutes of Committee meetings shall be agreed with the Committee Chair and then circulated to all members of the Committee.
- 7.3. Where practical, minutes from the previous meeting shall be tabled for review and approval at the next scheduled meeting. Once approved, minutes should be circulated to all members of the Committee and other members of the Board, unless, exceptionally, it would be inappropriate to do so.

- 7.4. A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting.

## 8. ENGAGEMENT WITH SHAREHOLDERS

- 8.1. The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities and the remuneration report.

## 9. DUTIES

- 9.1. The Committee should have oversight of the Company's remuneration but will also, as appropriate, review remuneration of the Group as a whole, but, and for the avoidance of doubt, not where such subsidiaries or individual Group employees are subject to applicable local regulation in regards to remuneration as established by the relevant national competent authority:
- a) Make recommendations to the Board, unless required otherwise by regulation, in respect of the policy on executive remuneration, setting remuneration for the Board Chair and designated senior executives, for reviewing workforce remuneration, related policies and alignment of incentives and rewards with culture and taking these into account when setting executive director remuneration.
  - b) In making recommendations in respect of the remuneration policy, taking into account all factors which it deems necessary, including relevant legal and regulatory requirements, the provisions, and recommendations of the Quoted Companies Alliance Corporate Governance Code ("**QCA Code**"). 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, other stakeholders, and the public interest. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long strategic term goals.
  - c) Make recommendations to the Board in respect of the pay for non-executive directors, subject to the Company's articles of association.
  - d) Review the on-going appropriateness and relevance of the Company's remuneration policy ensuring alignment to the Company's business objectives, values, risk appetite, regulatory compliance, and the long-term sustainable success, recognising the interest of all relevant stakeholders and liaising with the Audit and Risk Committees as appropriate in this regard.
  - e) Approve all offers of employment or contractual commitments that materially deviate from the remuneration policy.
  - f) Within the terms of the agreed policy and in consultation with the chair and/or Chief Executive Officer, as appropriate, determine the total individual remuneration package of each executive director, designated senior executive and the Company Chair including bonuses, incentive payments and share options or other share awards.

- g) Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity when deemed appropriate. 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.
- h) Be exclusively responsible for establishing the selection criteria, selecting, appointing, and setting the terms of reference for any remuneration consultants who advise the Committee.
- i) Review the design of any share incentive plans for approval by the Board. For any such plans, determine each year whether awards will be made to executive directors, and designated senior executives and if so, the overall amount of such awards, the individual awards to executive directors and designated senior executives, the Company Secretary, and the performance targets to be used.
- j) Review market practice, including benchmarking data from peers, information from remuneration consultants and other third parties to ensure remuneration policies and practice are aligned with good market practice.
- k) Make recommendations in respect of the policy for, and scope of, pension arrangements for each executive director and designated senior executive.
- l) 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.
- m) Review and approve any public disclosures in relation to executive remuneration and/or regulatory reporting e.g., gender pay gap figures.
- n) Approve severance arrangements for any director of the Company and any designated senior executive, ensuring that failure is not rewarded.
- o) Approve all retention arrangements (these should be put forward on an exceptional basis).

## 10. REPORTING RESPONSIBILITIES

- 10.1. The Committee Chair shall report to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3. Through the Chair of the Board, ensure that the Company maintains contact, as deemed required, with its principal shareholders about remuneration.
- 10.4. The Committee shall ensure that all legal and regulatory requirements regarding the disclosure of information, and those set out in the QCA Code and associated guidance, are

fulfilled, and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and/or on its website.

## 11. OTHER MATTERS

The Committee shall:

- a) have access to sufficient resources 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) give due consideration to relevant laws and regulations including the Companies (Guernsey) Law 2008, the provisions of the QCA Code, the London Stock Exchange AIM Rules for Companies, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and any other applicable rules and guidance as appropriate;
- d) oversee any investigation of activities which are within its terms of reference;
- e) work and liaise as necessary with all other Board committees; and
- f) arrange for an annual evaluation of the Committee's performance to be carried out, and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## 12. AUTHORITY

The Committee is authorised to:

- a) seek any information it requires from any employee of the Company or Group and from any sub-contractor, consultant, or other provider of services in order to perform its duties;
- b) obtain, at the Company's expense, remuneration advice, independent legal, accounting, or other professional advice on any matter it believes it necessary to do so;
- c) call any employee to be questioned at a meeting of the Committee as and when required;
- d) delegate any matter or matters to another committee or person(s) as it deems appropriate; and
- e) perform any other functions as requested by the Board.