

BLANCCO TECHNOLOGY GROUP PLC

Remuneration Committee Terms of Reference

1. Duties

1.1 Remuneration policy

- 1.1.1 The Committee shall consider all aspects of the Company's remuneration policy for the executive directors (including pensions, share and other incentive schemes, the form of the standard contract of employment and termination payments) and shall make recommendations to the Board as a whole for its approval.
- 1.1.2 The Committee shall review the ongoing appropriateness and relevance of the remuneration policy.
- 1.1.3 The Committee will ensure that the remuneration and conditions of service of the executive directors support the implementation of Company strategy and effective risk management for the medium to long-term, take account of shareholders' views and represent value for money. Remuneration policy should encourage and reward the right behaviours, values and culture. Any risk it creates should be acceptable to the Committee, be within the risk appetite of the Board and respect the strategy in place.

A significant proportion of remuneration should be structured so as to link rewards to the performance of the Company and the individual directors (as appropriate) and be designed to promote the long-term success and sustainability of the Company. They should also be capable of being properly communicated to shareholders and their representatives and the public, including the media.

- 1.1.4 When setting remuneration policy for directors, the Committee shall review and have regard to pay and employment conditions across the group, especially when determining annual salary increases.

1.2 Remuneration packages

- 1.2.1 Within the terms of the agreed policy, (and in consultation with the Board Chair and/or Chief Executive Officer, as appropriate) the Committee shall determine the individual remuneration packages for the executive directors, (including salaries, benefits, bonuses, incentive payments, pension contributions and share options or other share awards). No director or senior manager shall be involved in any decisions as to their own remuneration.
- 1.2.2 The Committee will recommend and monitor the structure and level of pay for the senior management team. For this purpose, the structure of pay comprises the mix of basic salary, bonuses, share options or other share awards, pensions and other benefits. The level will be judged in relation to a broad assessment of market levels and the remuneration of the executive directors. The Committee will not set the individual salaries of the members of the senior management team.
- 1.2.3 The Committee shall determine the policy for, and scope, of pension arrangements for each executive director and other members of the senior management team.
- 1.2.4 The Committee shall oversee any major changes in employee benefits structure throughout the group.

1.3 Termination payments

The Committee shall ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, the failure is not rewarded and that the duty to mitigate loss is fully recognised.

1.4 Share Plans

1.4.1 The Committee shall approve the design of, and determine targets for, any performance-related share incentive plans operated by the Company.

1.4.2 For such share incentive plans, determine each year whether awards will be made, and if so, approve the overall amount of such awards, the individual awards to executive directors and the performance targets to be used. The Committee will be advised of the proposed awards to members of the senior management team before they are made.

1.4.3 The Committee shall constitute “the Committee” for the purposes of any equity incentive plans and shall grant options under such plans (including, without limitation, any executive share option plan).

1.4.4 The Committee will undertake any necessary duties required to operate the share plans in place from time to time.

1.5 Expenses

The Committee shall agree a policy for the authorisation of expenses claimed by all directors and shall once a year review a schedule of expenses claimed by the directors in the preceding financial year of the Company.

1.6 NEDs

The fees and expenses of the non-executive directors (including the Board Chair) will be set by the Board as a whole. Non-executive directors do not receive any share options or other performance related remuneration.

2. Communication

2.1 The Committee’s conclusions will, in the case of the Chief Executive Officer’s remuneration package, be communicated by the Board Chair to the Chief Executive Officer.

2.2 The Committee’s conclusions will, in the case of the other executive directors, be communicated by the Chief Executive Officer to the relevant executive director.

3. Membership

3.1 The Committee will be appointed by the Board and will consist of not less than two independent non-executive directors.

3.2 A quorum will 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.

3.3 Membership of the Committee will be reviewed by the Board on a regular basis.

3.4 The Chair of the Committee will be appointed by the Board. In the absence of the Chair of the Committee, the remaining members present shall elect one of themselves to chair the meeting.

3.5 The Company Secretary will be Secretary to the Committee.

4. Meetings

4.1 Meetings will be held not less than twice a year. Any member of the Remuneration Committee may request a meeting of the Committee if they consider it necessary.

4.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals (such as the Chief Executive Officer) and external advisers may be invited to attend for all or part of any meeting as and when appropriate.

5. Minutes

The Secretary shall produce minutes of each meeting which will be circulated to members of the Committee and, once agreed, to all other directors, unless a conflict of interest arises.

6. Reporting Responsibilities

6.1 The Chair of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, as appropriate. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

6.2 The Committee will review an annual report of the Company's remuneration policy and practices for inclusion in the annual report.

7. Authority

7.1 The Committee is authorised by the Board if the Committee considers it necessary to:

- a) obtain internal advice and outside legal or other independent professional advice (for detail please refer to the policy)
- b) secure the attendance of outsiders with relevant experience and expertise
- c) seek any information it requires from any employee of the Company in order to perform its duties
- d) incur reasonable fees and expenses, which will be paid by the Company.

7.2 The Committee may appoint a firm of remuneration consultants to advise it provided that the seeking of internal information and any brief to consultants regarding the executive directors' remuneration will be the subject of prior consultation between the Chair of the Committee and the Board Chair. Such information and work will be commissioned by the Committee as agreed after such consultation.

7.3 The Committee shall consult with the Chief Executive Officer of the Company about the other executive directors' remuneration.

8. Other

- 8.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 8.2 The Committee shall 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 for example on current market practice, taxation and legal requirements.
- 8.3 The Committee shall arrange for periodic reviews of its own performance and regularly review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

Approved by the Board: 26 June 2019