

**SYNECTICS PLC (THE “COMPANY”)
TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE (THE “COMMITTEE”)
APPROVED BY THE BOARD 6 JULY 2023**

1. Constitution

1.1. The Board established a Committee of the Board to be known as the Remuneration Committee and has approved these terms of reference for the Committee.

2. Membership

2.1. The Committee shall consist of not less than two members all of whom shall be independent non-executive directors.

2.2. Members of the Committee shall be appointed by the Board, in consultation with the Chair of the Committee.

2.3. The Chair of the Committee shall be appointed by the Board and shall be an independent non-executive director who should have served on a remuneration committee for at least twelve months. In the absence of the Committee Chair, the remaining members shall elect one of themselves to chair the meeting.

2.4. The Chair of the Board should not be a member of the Committee.

3. Secretary

3.1. The Company Secretary, or his or her nominee, shall act as the secretary of the Committee 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.

4. Frequency of meetings

4.1. The Committee shall meet at least at least twice a year and at such other times as the Chair of the Committee shall require.

4.2. Outside of the formal meetings, the Committee Chair shall maintain a dialogue with key individuals involved in the Company’s corporate governance including, but not limited to, the Chief Executive, the Finance Director (together the “Executive Directors”), the Chair of the Board, the Company Secretary, and the Head of HR.

5. Notice of meetings

5.1. Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members.

5.2. 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 by the secretary to each member of the Committee and any other person required to attend no later than five working days before the date of the meeting.

6. Quorum

6.1. A quorum for the purposes of a duly convened Committee meeting shall be two members.

7. Attendance at meetings

7.1 Only members of the Committee have the right to attend Committee meetings. However, Executive Directors and the Chair of the Board may be invited to attend Committee meetings on a regular basis. Members of senior management (“Senior Management”) and external advisers may also be invited to attend all or any part of any Committee meetings as and when appropriate and necessary.

7.2 No person shall be present during a Committee meeting when discussion of their remuneration takes place.

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8. Minutes of meetings

- 8.1. The secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.
- 8.2. The secretary shall circulate the minutes of Committee meetings to all members of the Committee in a timely manner. Once approved, minutes should be circulated to all other members of the Board unless, exceptionally, it would be inappropriate to do so.

9. Engagement with shareholders

- 9.1. The Committee Chair should attend the Annual General Meeting of the Company to answer shareholder questions on the Committee’s activities.
- 9.2. In addition, through the Chair of the Board, the Committee should seek engagement with shareholders on significant matters relations to their areas of responsibility.

10. Duties

The Committee should carry out the duties below for the Company and its subsidiaries (together the “Group”) as appropriate:

10.1 Remuneration policy

- 10.1.1. Determine and recommend to the Board a remuneration policy for the Executive Directors, the Chair of the Board and Senior Management, including short and long-term variable remuneration, pension rights, other benefits, and compensation payments (the “**Remuneration Policy**”).
- 10.1.2. When designing the Remuneration Policy, consider all factors which the Committee deems necessary, including relevant legal and regulatory requirements and associated guidance.
- 10.1.3. Ensure the Remuneration Policy provides the appropriate balance of incentives to attract, retain and motivate executive management of the quality required to run the Company successfully, without paying more than is necessary. The overriding objective of the Remuneration Policy should be to promote the long-term success of the Company without encouraging excessive risk.
- 10.1.4. Monitor and review the on-going appropriateness and relevance of the Remuneration Policy.

10.2 Remuneration and terms

- 10.2.1 Determine in accordance with the Remuneration Policy, and in consultation with the Chair of the Board and/or Chief Executive, as appropriate, the total individual remuneration package of each Executive Director, the Chair of the Board, and the Senior Management, including salary, bonuses, incentive payments and share options or other share awards. The choice of financial, non-financial and strategic measures is important, as the exercise of independent judgement and discretion when determining remuneration wards, taking account of Company and individual performance and wider circumstances.
- 10.2.2 No director or senior manager shall be involved in any decisions as to their own remuneration.
- 10.2.3 The remuneration of non-executive directors shall be a matter for the Chair of the Board and the Executive Directors.

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- 10.2.4 Ensure that contractual terms on termination and any related payments made are fair to the individual and the Company, and that failure is not rewarded. The Committee shall recognise its duty to mitigate loss to the fullest extent possible and will in appropriate circumstances recommend to the Board recovery of sums paid or withholding of payment or award of an incentive.
- 10.2.5 Obtain reliable and recent remuneration data to review and benchmark remuneration with other companies of comparable size and complexity. The Committee shall have full authority to appoint external remuneration consultants to commission report or survey which it deems necessary or appropriate to fulfil its obligations.
- 10.2.6 Oversee any major changes in employee benefit structures across the Group.

10.3 Incentive schemes

- 10.3.1 Approve the design of, and determine targets for, any performance-related pay schemes and, if considered appropriate, approve the total annual payments made under such schemes.
- 10.3.2 Review the design of all share incentive plans for approval by the Board and, where required, shareholders. For any such plans, determine in each instance whether awards will be made, and if so, the overall and individual amount of all such awards, including the performance targets to be used.

10.4 Pensions

- 10.4.1 Determine the policy for, and scope of, pension arrangements for Executive Directors and Senior Management.

11. Reporting

- 11.1 The Chair of the Committee shall report to the Board after each meeting on the nature and content of its discussion, recommendations, and action to be taken.
- 11.2 The Committee shall make whatever recommendations to the Board that 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.
- 11.3 The Committee shall provide a description of its work in the Company's annual report and accounts each year, which includes details of the Remuneration Policy and practices of the Company.
- 11.4 Unless otherwise decided by the Board, the Committee shall ensure that the remuneration report is put to shareholders for approval at the Annual General Meeting each year.

12. Other matters

The Committee shall:

- 12.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required;
- 12.2 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;
- 12.3 give due consideration to all relevant laws and regulations, and any other relevant regulatory rules in force, as appropriate;

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- 12.4 ensure that a periodic evaluation of the Committee's own performance is carried out;
- 12.5 annually review the Committee's terms of reference to ensure it is operating at maximum effectiveness and recommend any changes the Committee deems necessary or appropriate to the Board for approval;
- 12.6 liaise with all other Board committees, and
- 12.7 undertake other ad hoc duties or activities delegated by the Board from time to time.

13. Authority

- 13.1 The Committee is authorised by the Board to:
 - 13.1.1 obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference;
 - 13.1.2 to seek any information or assistance it requires from any employee of the Group and all employees are directed to co-operate with any request made by the Committee.