

WITAN INVESTMENT TRUST PLC

Terms of reference of the Remuneration and Nomination Committee approved by the Board on 7 December 2020

1. Constitution, Purpose and Principle

The Remuneration and Nomination Committee (the ‘Committee’) is established by the Board to assist the directors in carrying out the responsibilities listed below.

2. Authority

The Committee is authorised by the Board to:

- Investigate any activity within its terms of reference; and
- Have access to all relevant information of the Company.

3. Membership

- 3.1 The Committee shall comprise at least three non-executive directors. Members of the Committee shall be appointed by the Board. The Chair of the Board may serve on the Committee if he/she was considered independent on appointment as Chair.
- 3.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as other Directors, the Chief Executive, and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 3.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for up to two additional periods of three-years, provided the director still meets the criteria for membership of the Committee.
- 3.4 The Board shall appoint the Committee Chair who should be either the Chair of the Board or an independent non-executive director who should have served on the Committee for at least 12 months. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chair of the Board.

4. Secretary

The Company Secretary, or its 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.

5. Quorum

The quorum necessary for the transaction of business shall be any two directors.

6. Frequency of meetings

The Committee shall meet at least twice a year and otherwise as required.

7. Notice of meetings

- 7.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any of its members.
- 7.2 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, any other person required to attend and all other non-executive directors, no later than five working 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.

8. Minutes of meetings

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

9. Engagement with Shareholders

The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

10. Duties

The Committee should carry out the duties below for the Company and the Group as a whole, as appropriate.

Nomination matters

The Committee shall:

- 10.1. Annually review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- 10.2. Ensure plans are in place for orderly succession for the Board and the Chief Executive, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- 10.3. Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 10.4. Review the results of the Board performance evaluation process that relate to the composition of the Board;
- 10.5. Review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and

10.6. Work and liaise as necessary with all other Board Committees.

In connection with the appointment of new directors the Committee shall:

10.7. Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;

10.8. Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and the time commitment expected. In identifying suitable candidates, the Committee shall:

10.8.1 Use open advertising or the services of external advisers to facilitate the search;

10.8.2 Consider candidates from a wide range of backgrounds; and

10.8.3 Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.

10.9. For the appointment of a Chair, the Committee should prepare a job specification, including the time commitment expected. A proposed Chair's other significant commitments should be disclosed to the Board before appointment and any changes to the Chair's commitments should be reported to the Board as they arise;

10.10. Prior to the appointment of a director, other significant time commitments should be disclosed and any future commitments should not be undertaken without prior approval of the Board. The proposed appointee also should be required to disclose any other business interests that may result in a conflict of interest. These must be authorised by the Board prior to appointment and any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the Board; and

10.11. Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings.

The Committee shall also make recommendations to the Board concerning

10.12. Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved;

10.13. Suitable candidates as new directors and succession for existing directors;

10.14. Membership of the Audit and Risk Committees, and any other Board Committees as appropriate, in consultation with the Chair of those Committees;

10.15. The re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required;

10.16. The re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code (the "Code") or the retirement by rotation provisions in the Company's articles of association, having due regard to their

performance and ability, and why their contribution is important to the Company's long-term sustainable success in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board, taking into account the length of service of individual directors, the Chair and the Board as a whole;

- 10.17. Any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and
- 10.18. The appointment of any director to executive or other office.

Remuneration matters

The Committee shall:

- 10.19. Recommend to the Board the policy for directors' remuneration and setting remuneration for the Company's Chair, Directors and senior management in accordance with the Principles and Provisions of the Code;
- 10.20. Consider the need to establish a remuneration scheme that promotes long-term shareholding by executive directors that support alignment with long-term shareholder interests;
- 10.21. 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;
- 10.22. When determining executive director remuneration policy and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
- 10.23. Ensure that no executive director or senior manager is involved in any decisions as to their own remuneration. 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;
- 10.24. Recommend for approval by the Board the level and structure of remuneration for senior Company staff and determine the level and structure of remuneration for other Company staff;
- 10.25. In determining remuneration policy, take into account all 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 interests of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long strategic term goals;
- 10.26. Review the on-going appropriateness and relevance of the remuneration policy;

Within the terms of the agreed policy and in consultation with the Chair, recommend for approval by the Board the total individual remuneration package of the Chief Executive, 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;

- 10.27. 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. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants;
- 10.28. 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;
- 10.29. Review workforce remuneration and related policies;
- 10.30. Recommend for approval by the Board the policy for and scope of pension arrangements for the Chief Executive and staff;
- 10.31. Review and recommend for approval by the Board the annual Remuneration Policy Statement of Witan Investment Services Limited; and
- 10.32. Work and liaise as necessary with all other Board Committees, ensuring the interaction between Committees with the Board is reviewed regularly.

11. Reporting responsibilities

- 11.1 The Committee Chair 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 it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for Board discussion when necessary.
- 11.3 The Committee shall produce a report to be included in the Company's annual report describing the work of the Committee in line with the requirements of the UK Corporate Governance Code and including:
 - 11.3.1 The process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline;
 - 11.3.2 How board evaluation has been conducted, the nature and extent of an external evaluator's contact with the board and individual directors, the outcomes and actions taken, and how it has influenced or will influence board composition;
 - 11.3.3 The policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives; and

- 11.3.4 The gender balance of those in the senior management team and their direct reports.
- 11.4 If an external search consultancy has been engaged, or the Committee has appointed remuneration consultants, they should be identified in the annual report alongside a statement about any other connection it has with the Company or individual directors.
- 11.5 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 201932 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 AGM as necessary.

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 Review a report on the training undertaken by each director each year;
- 12.4 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 UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate;
- 12.5 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;
- 12.6 Ensure that an external review of the Board's performance is carried out at least every three years.

13. Authority

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

14. Adoption of terms of reference

These terms of reference were approved by the Board of directors on 7 December 2020.