

Polar Capital Holdings PLC ('Polar Capital') recognises the importance of good corporate governance and intends that best practice is adopted and applied in so far as it is appropriate for a Company and Group of its size and stage of development.

As an AIM traded Company, Board follows the requirements of the Corporate Governance Code published by the Quoted Companies Alliance in 2018 (the QCA Code). The Board reports on compliance with the QCA Code in the annual report and provides the required disclosures within the annual report.

The Company is subject to the UK City Code on Takeovers and Mergers as well as being subject to various financial service regulators in the UK, Europe and USA.

## **Board of Directors**

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### **David Lamb - Non Executive Chairman**

Appointed to the Board in April 2020. David has more than 30 years' leadership experience within the asset management sector, including roles as Managing Director and Chairman of the Investment Committee at St James's Place, having joined the firm at inception. He was a director of the main PLC board between 2007 and 2019. He is also a Non-Executive Director of the Henderson Smaller Companies Investment Trust and Deputy Chairman of the Board of Governors of the University of West of England.

### **Gavin Rochussen – Chief Executive**

Appointed to the Board in July 2017. Before joining Polar, Gavin was Group Chief Executive at J O Hambro Capital Management Limited (JOHCM). Prior to JOHCM, Gavin was Group Chief Executive at Fleming Family & Partners Limited, a European multi-family office. Gavin qualified as a Chartered Accountant in 1983 in South Africa. Gavin is advisor to Amigona Holdings Inc, an investment holding Company and an Independent Advisor to James Hambro & Partners LLP, a wealth management boutique.

### **John Mansell - Executive Director**

Appointed to the Board in July 2002. John joined Brian Ashford-Russell and Tim Woolley to form Polar Capital in 2001. Prior to this John spent 11 years at Lazard Asset Management. John is a Fellow of the Institute of Chartered Accountants of England and Wales.

### **Brian Ashford-Russell - Non-Executive Director and Co-Founder**

Appointed to the Board in March 2002. Brian was head of the technology team at Henderson Global Investors from 1987 until September 2000 and is a co-founder of Polar Capital. He was the appointed fund manager of Polar Capital Technology Trust plc, from launch in 1996 until May 2006. Brian is a non-executive Director of Hawksmoor Investment Management.

### **Jamie Cayzer-Colvin - Non-Executive Director**

Appointed to the Board in March 2002. Jamie is head of Funds and has been an Executive Director at Caledonia Investments plc since 2005. Prior to this he was a Business Development Manager at GPT, then a division of GEC. Jamie has an MBA from Henley Management College. Jamie is non-executive Chairman of Henderson Smaller Companies Investment Trust plc.

**Alexa Coates – Non-Executive Director and Chair of the Audit and Risk Committee**

Appointed to the Board in July 2018. Alexa is a Chartered Accountant with over 25 years' experience in finance and accounting. She spent the last nine years of her executive career at HSBC, where she was the Global CFO of the Asset Management division before heading up the finance function of its Commercial Banking business in Europe. Alexa is a Non-Executive Director of Schroders Oriental Income Fund Ltd, a Guernsey domiciled, London-listed investment trust. Alexa is also a Trustee of the University of Essex.

**Win Robbins – Non-Executive Director and Chair of Remuneration Committee**

Appointed to the Board in June 2017. Win has wide experience in the investment management industry holding senior positions at a number of asset management firms culminating as Head of European Fixed Income at Barclay Global Investors. Win is a Non-Executive Director of Henderson Diversified Income Trust plc, a Non-Executive member of the Investment Committee of St. James Place Partnership plc and an independent Trustee of the Institute of Cancer Research Pension Fund.

**Andrew Ross - Non-Executive Director**

Appointed to the Board in April 2020. Andrew is a highly experienced financial services practitioner having spent over 20 years in senior roles at investment and wealth management firms. He was Chief Executive Officer of Cazenove Capital Management from 2001 until its acquisition by Schroders plc in 2013, when he became Global Head of Wealth Management. Andrew is currently Vice Chairman Wealth Management at Schroders and Non-Executive Chairman of Witan Investment Trust.

**The Board has three independent members in addition to the Chairman: Alexa Coates, Andrew Ross and Win Robbins.**

## Board Committees

To assist in facilitating effective controls and running the Group a number of Board Committees have been established to provide concise information for taking proposals to the Board, carrying out the necessary work required for the business to operate effectively and efficiently and to comply with all the regulatory requirements.

<b>Allotment Committee</b>	<b>Audit and Risk Committee</b>	<b>Nomination Committee</b>	<b>Remuneration Committee</b>
Any two Directors	A Coates – Chair W Robbins A Ross	D Lamb – Chair A Coates W Robbins A Ross	W Robbins - Chair A Coates D Lamb A Ross

Detailed Terms of Reference for each of these Committees are provided on subsequent pages.

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## Management Committees

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### Executive Committee

Gavin Rochussen (Chair)	Chief Executive
John Mansell	Executive Director
Iain Evans	Global Head of Distribution
Sandy Black	Chief Investment Officer
Samir Ayub	Group Finance Director
Mike Catlin	Chief Technology Officer
Nicholas Farren	Chief Operating Officer
Boura Kym Tomlinson Cann	Global Chief Legal and Compliance Officer

Other senior executives are invited to attend at the request of the Chair.

The Committee has been delegated by the Board the responsibility to manage the Group and its business on a daily basis. In its role, the Executive Committee assigns authority and responsibility for operating activities and establishes reporting relationships and authorisation hierarchies. The Committee meets at least monthly and when required.

**Group Risk Committee**

Boura Kym Tomlinson Cann (Chair)	Global Chief Legal and Compliance Officer
Gavin Rochussen	Chief Executive
John Mansell	Executive Director
Iain Evans	Global Head of Distribution
Sandy Black	Chief Investment Officer
Samir Ayub	Group Finance Director
Nicholas Farren	Chief Operating Officer
Waseem Ghulam	Chief Risk Officer

The Audit Committee Chair may attend all Committee meetings and the Audit and Risk Committee and Board are provided with a copy the Committee minutes.

The Committee considers all Group risks including corporate, operational, distribution and portfolio risk. The CRO reports portfolio risks to the Committee and any matters of concern noted at the Trade Compliance Committee, Cyber Security Committee and the Product Governance Committee are reported to the Group Risk Committee. The Group's portfolio managers may also be invited to present to this Committee when requested. The Group Risk Committee meets on a quarterly basis.

**Conduct Committee**

Boura Kym Tomlinson Cann (Chair)	Global Chief Legal and Compliance Officer
Gavin Rochussen	Chief Executive
John Mansell	Executive Director
Rachel Stynes	Human Resources Manager

The Conduct Committee is established to consider all actual and suspected Conduct Rules breaches from the Company's staff members, following a proper investigation being carried out into such conduct. The Committee's primary purpose is to ensure that the Company can demonstrate a consistent and fair process in the application of measures against staff members for breaches of the Financial Conduct Authority's Conduct Rules breaches. The Committee meets at least annually and on an ad hoc basis as required.

**Valuation Committees**

Waseem Ghulam (Chair)	Chief Risk Officer
Nicholas Farren	Chief Operating Officer
Harry White	Head of Compliance
Two UCITS Directors	(For UCITS funds)
Tracey Lago	(For AIFS)

The Committee is established to challenge and review the pricing by the relevant administrators of UCITS fund assets which are considered to be less liquid.

For AIFs (Investment Trust Companies and Hedge funds) the AIFM (Polar Capital LLP) is responsible for pricing unlisted and illiquid assets and has established a Committee to consider and challenge the valuation proposed by the relevant portfolio manager.

These Committees meet as and when required.

**Trade Compliance Committee**

Harry White (Chair)	Head of Compliance
Sandy Black	Chief Investment Officer
Boura Kym Tomlinson Cann	Global Chief Legal & Compliance Officer
Nicholas Farren	Chief Operating Officer
Waseem Ghulam	Chief Risk Officer
Alex Jenkins	Head of Trading

The Committee meets on a quarterly basis to review issues arising from monitoring trade allocations, leverage limits, cross holdings, best execution, market abuse, dealing commissions and broker approval lists. The Committee also oversees the implementation of regulator initiatives.

**Cyber Security Committee**

Mike Catlin (Chair)	Chief Technology Officer
Boura Kym Tomlinson Cann	Global Chief Legal and Compliance Officer
Other members of the IT and Compliance teams	

The Committee meets on a quarterly basis to review the Group's cyber security and business continuity arrangements.

**Product Governance Committee**

Gavin Rochussen (Chair)	Chief Executive
John Mansell	Executive Director
Sandy Black	Chief Investment Officer
Iain Evans	Global Head of Distribution
Samir Ayub	Group Finance Director
Nicholas Farren	Chief Operating Officer
Boura Kym Tomlinson Cann	Global Chief Legal and Compliance Officer
Rhianna Lindsay-Nieto	Head of Products
Neil Taylor	Group Company Secretary

The Committee meets on a quarterly basis to review the Group's product governance and the Senior Management Responsibilities.

### **Disclosure Committee**

The membership of the Committee is any two Directors, in the first instance comprising the two Executive Directors or, if one Executive Director is unavailable, then the Chair of the Board.

The Committee meets when required to review possible inside information and decide on the handling of such information, its release to the market and if the disclosure is to be delayed, the reason for such delay. The Committee will consult with the corporate broker for immediate advice on whether and when to announce material non-public price sensitive to the market and notify the CCO.

### **Corporate Governance at Fund Level**

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Polar Capital absolute return funds and UCITS funds are governed by separate independent boards of directors. These directors control the affairs of the funds.

The investment trusts managed by Polar Capital have independent boards of directors selected by their shareholders. These directors control the affairs of the investment trust and are elected by the investment trusts shareholders.

Please refer to the fund prospectus or the annual report and accounts for a list of and information on these directors and the corporate governance arrangements.



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## **THE BOARD OF DIRECTORS including SCHEDULE OF MATTERS RESERVED FOR BOARD DECISION**

The Board will meet as often as necessary to discharge its duties and obligations and to ensure overall management and stewardship of the shareholders' assets and interests.

The arrangement of Board meetings will be carried out by the secretary under guidance of the Chairman of the Board and the CEO. Urgent matters may be dealt with by ad hoc meetings attended by as many Directors as can be reached either in person or by telephone so that two way participation is possible or by written resolution when the matter is one that does not require debate. Any meeting of Directors must be quorate for the transaction of business.

Directors must act in accordance with the Company's constitution and only exercise powers for the purpose for which they were conferred and exercise their powers independently.

A Director must act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have regard to the:

- consequences of any decision in the long-term;
- interests of the Company's employees;
- fostering of business relationships with suppliers, customers and others;
- impact of the business on the community and the environment;
- desire to maintain a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

Directors must exercise reasonable care, skill and diligence in performance of their duties concomitant with the general knowledge skills and experience that may be reasonably expected of a person carrying out the same functions as a director in relation to that company and the general knowledge skills and experience that the director actually has.

Directors must avoid conflicts of interest, not accept benefits from third parties and declare any interest in proposed transactions or arrangements with the Company.

## **SCHEDULE OF MATTERS RESERVED TO THE BOARD**

### **STRATEGY AND MANAGEMENT**

- Responsibility for overall leadership including setting the Company's values and standards, long-term objectives and commercial strategy.
- Review of performance in light of the Group's strategic aims, objectives, business plans and budgets ensuring corrective action is taken if necessary.
- Oversight of the Group's operations ensuring competent and prudent management, sound planning, management of internal control systems, adequate accounting and other records and compliance with regulatory and statutory obligations.
- Clear and written allocation of responsibilities between the Chairman and the CEO and other executive Directors including levels of authorisation.
- The creation and approval of all Board committees, setting and reviewing their terms of reference and receiving reports on the discharge of their duties.
- Approval of the Company's annual operating budget and any material changes
- Any expansion or cessation of activities or any material change outside the field of investment management in the nature or scope of the Business, including the introduction of any new field

of activity or the discontinuance of any existing field of activity or the relocation of the business of the Company.

- Matters affecting principal entities including creation and liquidation, corporate structure matters, and capital restructures and material changes to the Polar Capital LLP partnership agreement.
- The making or disposing of any investment made by the Company, on its own proprietary account, in any other person or business save that the Company may make investments in any funds it manages or proposes to manage.

#### MEMBERSHIP

- Succession planning for the Board and senior management to maintain an appropriate balance of skills and experience within the Group and on the Board
- Selection of the Chairman, CEO and SID (if appointed).

Through the work of and on the recommendations of the Nomination Committee:

- Changes to the structure, size and composition of, including:
- appointment to the Board
- Appointment of the chair/members of Board committees
- The continued appointment of a director at any time including suspension or termination, the re-election of a director at the AGM

#### REMUNERATION

Through the work of and on the recommendation of the Remuneration Committee:

- the remuneration policy for the directors and senior management;
- the payment of variable remuneration and the creation of any share plans;
- the allocation of any existing or new share capital for creation of any pool of shares for the Equity Incentive Plan including any associated transfer or loan of any monies to any Employee Benefit Trust

#### CORPORATE GOVERNANCE

- Reviewing the Group's overall corporate governance arrangements and its compliance with the adopted relevant code and ESG / section 172 responsibilities.
- Undertaking a formal and rigorous review of its own performance, that of its committees and individual directors
- Determine the independence of each director based on their character and judgment
- Considering the balance of interests between shareholders, employees, customers and the community
- Receiving reports on the views of the company's shareholders to ensure that they are communicated to the board as a whole
- Authorising any conflicts or potential conflicts as permitted by the articles of association

#### SHARE CAPITAL

- Changes relating to the Company's capital structure including changes to share rights, the allotment and the issue (except for the allotment and issue of shares where power has been delegated to the Allotment Committee) or buying back of the Company's shares.
- The repayment of capital or assets to the shareholders or the distribution by the Company of assets of the Company at less than fair value.

#### CONTRACTS

- The entering into, variation or termination of any agreement or arrangement outside the ordinary scope of the business and which is intended to bind the Company for longer than 12 months.
- The acquisition or disposal of a single asset or category of assets by the Company, on its own proprietary account, representing the higher of £2,000,000 and 2% or more of the net asset value of the Company, as shown in its most recent audited accounts.
- Any material outsourcing (as such terms as defined in the FCA Rules) of the fund management, research or marketing operations of the Company, its Group or any of the investment funds managed by any member of the Company's Group (except with respect to marketing alliances and other marketing outsourcing arrangements or as otherwise contemplated therein).
- The entering into or variation of any transaction by the Company with:
  - a substantial Shareholder, or
  - any company in the same Group as any Substantial Shareholder, or
  - any Director or officer of any Substantial Shareholder or any company in the same Group as any Substantial Shareholder;

#### LITIGATION

- The commencement or settlement in any jurisdiction of legal or arbitration proceedings which involve or might involve an amount (including related costs) in excess of the higher of £1,000,000 and 1% of the turnover of the Company as shown in its most recent audited accounts;

#### FINANCIAL

- Any change in the dividend policy and the declaration or payment of any dividend or the declaration or making of any other distribution
- The raising of any indebtedness by way of mortgage, charge, debenture, pledge or lien other than by way of trade credit on normal commercial terms and in the ordinary course of the Business, Subject to the recommendations of the Audit and Risk Committee:
  - approval of interim and annual financial statements and any preliminary announcements and the annual and half year reports including the corporate governance statements
  - approval of any significant change in the basis of accounting policies or practices
  - approval of any change of the external auditors of the Company or the Accounting Period.
  - recommendations for the appointment, reappointment or removal of external auditors.

#### CORPORATE

- Any changes to the Company's listing arrangements or the converting of the Company to another form of legal entity or causing the taxation regime applicable to the Company to change.
- Any step taken by the Company or any member of its Group to appoint a manager, receiver, administrative receiver, administrator, liquidator, or other similar officer over the whole or any significant part of its business or assets, or convene a meeting of its creditors generally or make or propose to make any arrangement or composition with, or any assignment for the benefit of, its creditors generally.

#### INTERNAL CONTROLS

- Ensuring and maintaining a system of internal control and risk management including design and implementation of a risk identification and management programme covering:
  - setting the Company's/Group's risk appetite,
  - receiving reports on and reviewing the effectiveness of the risk and control processes;
  - approving procedures for the detection of fraud and the prevention of bribery including,
  - conducting an annual review of the effectiveness of the internal control systems covering all material controls including financial operational compliance and risk management.

#### COMMUNICATIONS

- Ensuring a satisfactory dialogue with shareholders based on mutual understanding of objectives and receiving reports on the views of shareholders.
- Approval of all circulars, prospectuses, listing particulars, press and stock exchange announcements other than routine documents which may be delegated to a committee
- Approval of all resolutions to be put to shareholders at a general meeting

#### OTHER

- Formulation of any policy regarding charitable or political donations.
- Insurance arrangements for Professional Indemnity and Directors' and Officers' liability insurance and indemnification of Directors.
- Appointment or removal of the senior executives of the Company including the company secretary.

**Schedule of Matters reserved for Board decision were reviewed and approved by the Board on 31 July 2019**

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## RESPONSIBILITIES OF THE CHAIRMAN

### OVERALL RESPONSIBILITY

The Board has appointed a Chairman of the Board and a Chief Executive to separate the two key tasks within the Company – the running of the Board, which is delegated to the Chairman, and the executive responsibility for the running of the Company's business, which is delegated to the Chief Executive. The Chairman's primary role is therefore to ensure that the Board and individual directors are able to operate efficiently by setting the agenda, style and tone of Board discussions to promote effective decision-making and constructive debate.

### SPECIFIC MATTERS

It is the responsibility of the Chairman to:

- Chair meetings of the Board.
- Ensure that the Board has an appropriate balance of membership.
- Ensure that all directors are enabled to play their full part in the Board's activities and, with the Chief Executive, that all appropriate information is available to them in good time.
- Ensure that the Company's purpose, values and strategy are clearly established and that they are aligned with its culture.
- Ensure that the appropriate strategy for the Company is developed by the Chief Executive and management, for consideration and approval by the Board, and that it is followed and implemented.
- Ensure that the Board achieves its objectives of:
  - assessing and monitoring the Company's culture;
  - monitoring regularly the Company's performance;
  - reviewing the periodic statements released to the market;
  - establishing a framework of prudent and effective controls, which enable risk to be assessed and managed;
  - receiving reports from Board committees;
  - monitoring feedback from shareholders.
- Ensure that the performance of the Chief Executive is monitored.
- Act as chairman of the Nomination Committee and take responsibility for Board succession planning, in particular for the Chief Executive and, in conjunction with the Chief Executive, for other executive directors.
- Ensure, with the assistance of the Company Secretary, that a comprehensive, formal and tailored induction programme is provided for new directors and ensure that the continuous training and development needs of Board members are met.
- Ensure that the corporate governance of the Board is conducted in accordance with best practice and that the Board's performance is regularly monitored.
- Ensure that the Board committees properly perform their functions.
- Chair general meetings of the Company.
- Ensure, in conjunction with the Chief Executive, that effective communication with shareholders is maintained and that Board members develop an understanding of the views of major investors.
- Represent the Company externally as may be required.

**31 July 2019**

## **RESPONSIBILITIES OF THE CHIEF EXECUTIVE**

### **OVERALL RESPONSIBILITY**

The primary responsibility of the Chief Executive is to implement the Board's policies and strategies and to manage the Company other than in relation to those matters specifically reserved to the Board or delegated to the Board Committees.

### **SPECIFIC MATTERS**

It is the responsibility of the Chief Executive to:

- Lead the strategy for the Company and the communication of matters affecting the Company both internally and externally.
- Be accountable to the Board for the overall performance of the Company.
- Manage the business of the Company in accordance with the strategies, objectives and policy limits set by the Board.
- To approve the appointment and allocation of roles and responsibilities of the executive management team.
- To approve all capital and revenue transactions, including acquisitions and disposals, not specifically reserved to the Board.
- Except where the Board gives specific direction otherwise, the Chief Executive may delegate any of these matters to other members of the executive management team or to executive committees.

**31 July 2019**

## **TERMS OF REFERENCE FOR ALLOTMENT COMMITTEE**

### **CONSTITUTION and PURPOSE**

The Committee has been established by resolution of the Board of Directors of the Company (the "Board") and is to be known as the Allotment Committee. ("Allotment Committee" or the "Committee").

The role of the Committee is to carry out the necessary actions to allot and issue ordinary shares and/or transfers of shares held by the Company's Employee Benefit Trust ("EBT") in satisfaction of previously agreed share awards by the Remuneration Committee or Board.

#### **1. MEMBERSHIP**

Any Director is eligible to serve on the Committee.

#### **2. QUORUM**

A quorum shall be two Directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all and any of the authorities, powers and discretions vested in or exercisable by the Committee.

#### **3. FREQUENCY OF MEETINGS**

Meetings shall be held at such times as the Committee deems appropriate.

#### **4. PROCEEDINGS**

- 4.1. Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the Company's Articles of Association regarding the meetings and proceedings of Directors.
- 4.2. Meetings of the Committee shall be summoned by the secretary of the Committee as the need arises or upon request of any Director or the Company Secretary.
- 4.3. 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 any other person required to attend not later than 48 hours prior to the date of the meeting.
- 4.4. The secretary to the Committee shall record the proceedings and resolutions of meetings of the Committee and shall circulate the minutes of such meetings to all members of the Board.

#### **5. DUTIES**

The responsibilities of the Committee shall be:

- 5.1. To allot and issue ordinary shares or arrange for the transfer of shares from the EBT in connection with any award of equity under the rules of the Equity Incentive Plan, 2016 Executive Incentive Plan and Deferred Remuneration arrangements, provided that such allotment or transfer is in accordance with the original terms of grant/award or any variation to such terms approved by the Remuneration Committee or Board.
- 5.2. To allot and issue or transfer from the EBT ordinary shares of the Company in satisfaction of any crystallisations of Manager Preference Shares where the Board has previously been informed of the exercise and the number of ordinary shares involved.

## **TERMS OF REFERENCE FOR ALLOTMENT COMMITTEE WERE APPROVED BY THE BOARD ON 19 JUNE 2019**

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## **TERMS OF REFERENCE FOR AUDIT and RISK COMMITTEE**

### **CONSTITUTION and PURPOSE**

The Audit and Risk Committee has been established by resolution of the Board of Directors of the Company (the "Board") and is to be known as the Audit and Risk Committee ("Audit and Risk Committee" or the "Committee").

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring:

- The integrity of the financial and narrative statements and other financial information provided to shareholders.
- The Company's system of internal controls, its risk management framework and their effectiveness.
- The external audit process and the appointment and effectiveness of the auditors.
- The process for compliance with laws, regulations and ethical codes of practice.

### **1. MEMBERSHIP**

- 1.1. The members of the Committee shall be appointed by the Board from amongst the independent non-executive Directors of the Company in consultation with the Chair of the Committee and shall consist of at least three members.
- 1.2. The Chair of the Board of Directors shall not be eligible to be a member of the Committee.
- 1.3. Members should be independently minded and at least one member of the Committee shall have recent and relevant financial experience and the Committee as a whole shall have accounting or auditing competence relevant to the sector in which the Company operates.
- 1.4. The Board shall appoint a Chair of the Committee (the "Chair") and shall decide his or her period of office.
- 1.5. The Committee will carry out periodic reviews of its own performance and at least annually review its constitution and terms of reference and recommend any changes it considers necessary to the Board for approval. The Board shall regularly review the membership of the Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals as regards membership of the Committee and other Board committees.

### **2. QUORUM**

A quorum shall be two members. A duly convened meeting of the Audit and Risk Committee at which a quorum is present in person or by audio or video conference shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **3. ATTENDANCE AT MEETINGS**

- 3.1. No one other than the Committee Chair and members is entitled to be present or vote at a meeting of the Committee.
- 3.2. Other Directors including the Chairman of the Board, the senior executive management of the Company: (Chief Executive, Finance Director, Chief Operations Officer, Chief Legal and Compliance Officer, Chief Risk Officer and Head of Internal Audit (if appointed)) and



representative of the external auditors may be invited to attend and shall be able to speak at any meeting of the Committee by prior arrangement with the Chair.

- 3.3. There should be at least one meeting, or part of a meeting, each year which the external auditors attend without management present.
- 3.4. Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting and if a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

#### **4. SECRETARY**

The Company Secretary shall act as the secretary of the Committee and shall keep a record of the membership and the dates of any changes to the membership of the Committee

#### **5. FREQUENCY OF MEETINGS**

- 5.1. Meetings shall be held at such times as the Chair of the Committee deems appropriate, and in any event shall be held not less than three times a year. Where appropriate, meetings will coincide with key dates in the Company's financial reporting cycle.
- 5.2. External auditors or internal auditors (if any) may request a meeting if they consider that one is necessary.

#### **6. PROCEEDINGS**

- 6.1. Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the Company's Articles of Association regarding the meetings and proceedings of Directors.
- 6.2. Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any member thereof.
- 6.3. 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 any other person required to attend not later than 48 hours prior to the date of the meeting.
- 6.4. The secretary to the Committee shall record the proceedings and resolutions of meetings of the Committee and shall promptly circulate the minutes of such meetings to all members of the Committee and, if the Chair so decides, to all members of the Board.
- 6.5. The Chair will maintain a dialogue with key management, Chair of the Board, internal (if any) and external auditors on corporate governance matters between formal meetings.
- 6.6. In the absence of the Committee Chair and/or an appointed deputy, those members present shall elect one of their number to chair the meeting.

#### **7. AUTHORITY**

- 7.1. The Committee is authorised by the Board at the expense of the Company to investigate any matter within its terms of reference. It is authorised to seek any information it requires from any employee in order to perform its duties, and all employees are directed to co-operate with any requests made by the Committee.
- 7.2. The Committee is authorised by the Board to obtain external professional advice at the expense of the Company and to secure the attendance of third parties with relevant experience and expertise at meetings of the Committee if it considers this necessary.
- 7.3. These terms of reference may be amended from time to time as required, subject to approval by the Board.

## 8. REPORTING PROCEDURES

- 8.1. The Chair of the Committee will report to the Board on how it has discharged its duties, including significant issues considered in relation to the financial statements and how they were addressed, the effectiveness of the external audit process and the appointment of auditors, risk management and effectiveness of internal controls and any other issues which, in the opinion of the Committee needs action or improvement including recommendations on steps to be taken.
- 8.2. The Chair of the Committee or, as a minimum, another member of the Committee, shall attend the Board or Board Committee meeting at which the accounts are approved.
- 8.3. Where, following its review, the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.
- 8.4. The Audit and Risk Committee members shall conduct an annual review of their work and these terms of reference and make recommendations to the Board.
- 8.5. The Audit and Risk Committee's duties and activities during the year shall be disclosed in the annual financial statements in the form of a separate report explaining how the Committee has discharged its duties, significant issues considered and how they were addressed and any other matter that in the judgement of the Committee should be brought to shareholders' attention.
- 8.6. The Chair of the Audit and Risk Committee shall be available at the Annual General Meeting to answer questions on the Audit and Risk Committee's activities and its responsibilities.

## 9. DUTIES

The Committee shall have oversight of the Polar Capital Group and its responsibilities shall be:

### FINANCIAL REPORTING

- 9.1. To monitor the integrity of the financial statements, (including preliminary announcements, Pillar 3 disclosures and any other formal statements relating to the Company's performance before recommending them to the Board for approval. This should include carrying out appropriate review and challenge of the reporting, any judgements and disclosures, paying particular attention to:
  - 9.1.1. the consistency of, application, and any changes to critical accounting policies and practices;
  - 9.1.2. decisions requiring a major element of judgement;
  - 9.1.3. the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed where different approaches are possible
  - 9.1.4. the clarity and completeness of disclosures including all material information presented within the financial statements such as the strategic report, corporate governance statements and other matters to arrive at a recommendation that when taken as a whole the annual report is fair, balanced and understandable and it includes the information necessary for shareholders to assess the company's performance, business model and strategy.
  - 9.1.5. any significant adjustments resulting from the audit.
  - 9.1.6. the going concern assumption.
  - 9.1.7. compliance with accounting standards.
  - 9.1.8. compliance with stock exchange and other legal requirements.

**RISK MANAGEMENT and INTERNAL CONTROLS**

The Committee shall:

- 9.2. review management's reports on the effectiveness of systems for internal financial control, financial reporting and risk management;
- 9.3. review the Company's annual statement on its systems of internal control prior to endorsement by the Board, and in particular review:
  - 9.3.1. the procedures for identifying business, operational, financial, compliance and other risks and controlling their impact on the Company having regard, in particular, to any significant failings or weaknesses in internal control that have been reported;
  - 9.3.2. the actions taken to remedy any significant failings or weaknesses, including their timeliness;
- 9.4. advise the Board on the Company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment drawing on any guidance issued by the Financial Conduct Authority and other authoritative sources that may be relevant for the Company's risk policies.
- 9.5. review and monitor the findings and recommendations of the Management Group Risk Committee and ensure the Head of Compliance and the Chief Risk Officer shall be given the right of unfettered direct access to the chair of the Committee.
- 9.6. consider and approve the remit of the risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate independence and that the appointment and/or removal of the Head of Compliance and the Chief Risk Officer (if appointed) has been discussed with the Committee.
- 9.7. Annual review of the Group's principle and emerging risks, including the Company's capability to identify and manage new risk types, changes to the nature, severity and likely impact of identified risk due to changes in the business and regulatory environment including:
  - 9.7.1. the approval of the parameters used and the methodology adopted,
  - 9.7.2. the standards for the accurate and timely reporting, and
  - 9.7.3. compliance with relevant regulatory and legal requirements.
- 9.8. keep under review the Company's overall risk assessment and monitoring processes through the Chief Compliance Officer's reports on the Group Risk Map and the results of the Risk Monitoring Programme.
- 9.9. monitor the adequacy of the Compliance function and its dealings with regulatory authorities including FCA, SEC and other regulators.
- 9.10. consider the Money Laundering Officer's reports on the effectiveness of the Company's anti money laundering controls.
- 9.11. monitor the capital adequacy of the Company to ensure that the Company has sufficient capital to cover the key risks identified, through a review of the outputs of stress tests and a review of the ICAAP document before submission to the Board.
- 9.12. review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters ("Whistle blowing"). The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. The Committee will also consider if requested any significant cases of employee conflicts of interest, misconduct or fraud or any other unethical activity by staff.

9.13. review adequacy and effectiveness of the Company's policies on:

9.13.1. the prevention of bribery;

9.13.2. anti- slavery; and

9.13.3. detecting fraud.

#### EXTERNAL AUDITOR

9.14. The Committee shall, taking into account any applicable law and legislation, other professional requirements and the Financial Report Standard's Ethical Standard, have primary responsibility for making recommendations to the Board in relation to the appointment, re-appointment and removal of the Company's external auditor.

9.15. Be responsible for the selection process of the external auditor by tender (at least every 10 years), rotation or by way of casual vacancy.

9.16. To consider and recommend to the Board for shareholder approval the appointment of the external auditor

9.17. If an external auditor resigns, investigate the issues leading to this and decide whether any action is required.

9.18. To oversee the relationship with the external auditor including:

9.18.1. recommendations on the audit fee to the Board and pre-approve any fees in respect of non-audit services provided by the external auditor, checking that the level of audit fee is appropriate to enable an effective and high quality audit, and to ensure that the provision of non-audit services is in accordance with the policy on non-audit services and does not impair the external auditor's independence or objectivity;

9.18.2. approval of any terms of engagement of the auditor including reviewing with the external auditor, before the audit commences, the nature and scope of the audit, steps taken by the auditor to respond to changes in regulatory, law, accountancy practices and other requirements. This will include the review of any correspondence received from the auditors in the course of the year;

9.18.3. assessing annually the auditor independence, including the auditor's processes for maintaining independence, and objectivity taking into account relevant UK statute, professional and regulatory requirements and the relationship with the auditor as a whole including satisfying itself there are no relationships (such as family, employment, or investment either financial or business) between the auditor and the Company which could adversely affect independence and objectivity;

9.18.4. monitoring the auditor compliance with relevant ethical and professional guidance on the rotation of engagement partner, (if an engagement partner is to act for more than 5 years, a maximum of 7 is permitted, then the reasons for extending the appointment must be explained to shareholders as soon as possible) the qualifications, expertise and resources of the auditor along with the effectiveness of the audit programme and process including a report from the auditor on their own internal quality procedures;

9.18.5. evaluating the risks to the quality and effectiveness of the financial reporting process in light of the auditor's comments and to review the findings of the auditor including (but not limited to)

9.18.5.1. any major issues that arose during the audit;

9.18.5.2. key accounting and audit judgements;

- 9.18.5.3. levels of errors identified;
- 9.18.5.4. any major recommendations of the external auditor and management's response including any management letter if issued.
- 9.19. consider and review any representations letter requested by the auditor and make a recommendation to the Board;
- 9.20. consider the effectiveness of the audit process and the quality of the handling of key judgements by the auditors and any responses to questions or requests from the Committee.

#### NON-AUDIT SERVICES

- 9.21. To establish and keep under review a policy for the provision of non-audit services by the auditor so that their independence and objectivity is safeguarded and to ensure that the provision of any non-audit services by the auditors would have no direct or marked effect on the audited financial statements. The policy will address the nature of any no audit services and the agreeing of fees for such work. The Committee will consider the suitability of the auditor in providing such services.
- 9.22. To ensure that proper disclosure is made in the annual report of the policy in relation to non-audit fees paid to auditors, the independence of the auditor and of all fees paid to the external auditor.

#### OTHER

- 9.23. To make any reports or recommendations to the Board and to receive instruction from the Board for the investigation of any specific matters of interest or concern.
- 9.24. To consider other topics, as defined by the Board.
- 9.25. To consider on a periodic basis, and at least annually, the need for an internal audit function.

#### **TERMS OF REFERENCE FOR AUDIT AND RISK COMMITTEE WERE APPROVED BY THE BOARD ON 11 MARCH 2020**

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## TERMS OF REFERENCE FOR NOMINATION COMMITTEE

### CONSTITUTION AND PURPOSE

The Nomination Committee has been established by resolution of the Board of Directors of the Company (the "Board") and is to be known as the Nomination Committee ("Nomination Committee" or the "Committee").

#### 1. MEMBERSHIP

- 1.1 The members of the Committee shall be appointed by the Board from amongst the Non-Executive Directors of the Company and shall consist of not less than three members.
- 1.2 The Board shall appoint a Chair of the Committee (the "Chair") and shall decide his or her period of office.
- 1.3 The Board shall regularly review the membership of the Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals as regards membership of the Committee and other Board committees.
- 1.4 The Committee may invite the Chair of the Board, if not a member, the Chief Executive of the Company or any other person to advise and/or to join meetings of the Committee when required notwithstanding that they are not members of the Nomination Committee.

#### 2. QUORUM

A quorum 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.

#### 3. ATTENDANCE AT MEETINGS

- 3.1 No one other than the Committee Chair and members is entitled to attend or vote at a meeting of the Nomination Committee, although executive Directors, members of senior management and other third parties may attend if invited to do so by the Nomination Committee.
- 3.2 The Chair of the Company, if not a member, Chief Executive, and any other executive or member of senior management may be invited to attend and shall be able to speak at any meeting of the Committee by prior arrangement with the Chair.
- 3.3 Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting and if a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

#### 4. SECRETARY

The Company Secretary shall act as the secretary of the Committee and shall keep a record of the membership of and the dates of changes to the membership of the Committee.

#### 5. FREQUENCY OF MEETINGS

Meetings shall normally be held at such times as the Chair of the Committee deems appropriate, and in any event shall be held not less than once a year.

#### 6. PROCEEDINGS

- 6.1 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the Company's Articles of Association regulating the meetings and proceedings of Directors.

- 6.2 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any member thereof.
- 6.3 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 any other person required to attend not later than 48 hours prior to the date of the meeting.
- 6.4 The secretary of the Committee shall record the proceedings and resolutions of meetings of the Committee and shall circulate promptly the minutes of such meetings to all members of the Nomination Committee and, if the Chair so decides, to all members of the Board.

## **7. AUTHORITY**

- 7.1 The Committee is authorised by the Board at the expense of the Company to investigate any matter within its terms of reference. It is authorised to seek any information it requires from any employee in order to perform its duties, and all employees are directed to co-operate with any requests made by the Committee.
- 7.2 The Committee is authorised by the Board to obtain external professional advice at the expense of the Company and to secure the attendance of third parties with relevant experience and expertise at meetings of the Committee if it considers this necessary.
- 7.3 These terms of reference may be amended from time to time as required, subject to approval by the Board.

## **8. DUTIES**

The Committee shall be responsible for all aspects of the appointment of Directors of the Company and the duties of the Committee shall be:

- 8.1 to regularly review the structure, size and composition of the Board (including skills, knowledge and experience) taking into account the current requirements and future development of the Company, and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- 8.2 to identify, nominate and recommend for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 8.3 before beginning to search for candidates for a particular appointment, to prepare a written description of the role and capabilities required for that appointment having evaluated the balance of skills, knowledge and experience already on the Board;
- 8.4 to seek advice from external advisers and/or use open advertising, if appropriate, in relation to seeking and selecting candidates for any appointments, having regard to the requirement to give an explanation in the annual report if neither external consultants nor open advertising have been used;
- 8.5 to review a candidate's other commitments and ensure that, on appointment, a candidate has sufficient time to undertake the role;
- 8.6 to satisfy itself with regard to succession planning, that processes and plans are in place with regard to both Board and senior management appointments;
- 8.7 to ensure that, on appointment, all non-executive Directors receive formal written terms of appointment;
- 8.8 to make recommendations regarding the membership of the Audit Committee and the Remuneration Committee in consultation with Chair of the Audit Committee and the Remuneration Committee respectively;
- 8.9 to review annually the time needed to fulfil the role of Chair of the Board, Senior Independent Director (if any) and each non-executive Director (taking into account any committee

memberships) and, with reference to the annual performance evaluation, to review whether all members of the Board have devoted sufficient time to their duties;

- 8.10 to investigate and make recommendations to the Board concerning any matters relating to the continuation in office as a Director of any Director at any time;
- 8.11 as regards the re-appointment of any non-executive Director, to review performance, at the conclusion of his or her specified term of office; particularly once a second term of office has been completed;
- 8.12 to recommend the re-election (or not) by shareholders of any Director under the retirement and re-election provisions in the Company's Articles of Association;
- 8.13 to make recommendations to the Board regarding the appointment of any Director to executive or other office (except for the positions of Chair of the Board and the Chief Executive, which shall be matters for the Board);
- 8.14 to ensure that items that should be published in the Company's annual report relating to the activities of the Committee, are included in that report;
- 8.15 to review and, where necessary, update these terms of reference (subject to the approval of the Board) and make them publicly available; and
- 8.16 generally, to have regard to any applicable Governance Code in carrying out the duties specified above.

## **9. ANNUAL GENERAL MEETING**

The Chair shall be available at the Annual General Meeting to answer questions on the Committee's activities and procedures. He or she should also ensure that the Company maintains good contact with shareholders about the appointment of Directors in the same way as for other matters.

**TERMS OF REFERENCE FOR NOMINATION COMMITTEE WERE APPROVED BY THE BOARD ON 17 JUNE 2020**



## TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

### CONSTITUTION and PURPOSE

The Remuneration Committee has been established by resolution of the Board of Directors of the Company (the "Board") and is to be known as the Remuneration Committee ("Remuneration Committee" or the "Committee").

The role of the Committee is to assist the board to fulfil its responsibility to shareholders to ensure that:

1. remuneration policy and practices of the Company are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements; and
2. executive remuneration is aligned to company purpose and values and linked to delivery of the company's long-term strategy.
3. In this capacity the Committee shall consider:
  - 3.1 remuneration policies, including base pay, long-term and short-term incentives, post-employment shareholding requirements and use of the Committee's discretion;
  - 3.2 remuneration practice and its cost to the Company;
  - 3.3 recruitment, service contracts and severance policies;
  - 3.4 pension and superannuation arrangements and other benefits; and
  - 3.5 a review of workforce remuneration and related policies and the alignment of incentives and rewards with culture.

### 1. MEMBERSHIP

- 1.1 The members of the Remuneration Committee shall be appointed by the Board from amongst the non-executive Directors of the Company and shall consist of at least four members.
- 1.2 The Board shall appoint a Chair of the Committee (the "Chair") and shall decide his or her period of office. The Chair shall be an independent non-executive Director and the appointee should have served on a remuneration committee for at least 12 months.
- 1.3 The Chair of the Board of Directors may be a member of, but not chair, the Committee if he or she was considered to be independent on appointment as Chair.
- 1.4 The Committee will carry out periodic reviews of its own performance and, at least annually, review its constitution and terms of reference and recommend any changes it considers necessary to the Board for approval. The Board shall regularly review the membership of the Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals as regards membership of the Committee and other Board committees.
- 1.5 The Committee may invite the Chair of the Board, the Chief Executive of the Company or any other person to advise and/or to join meetings of the Committee when required notwithstanding that they are not members of the Committee.
- 1.6 If executive Directors or senior management are involved in advising or supporting the Remuneration Committee, that role should be clearly separated from their role within the business.

### 2. QUORUM

A quorum shall be three members. A duly convened meeting of the Committee at which a quorum is present in person or by audio or video conference shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **3. ATTENDANCE AT MEETINGS**

- 3.1 No one other than the Committee Chair and members is entitled to vote at a meeting of the Committee.
- 3.2 The Chair, chief executive, and any other executive or member of senior management may be invited to attend and shall be able to speak at any meeting of the Committee by prior arrangement with the Chair.
- 3.3 No Director or senior executive shall be involved in any decisions as to his or her own remuneration.

### **4. SECRETARY**

- 4.1 The Company Secretary shall act as the secretary of the Committee and shall keep a record of:
  - 4.1.1 the membership of, and the dates of any changes to the membership of, the Committee;
  - 4.1.2 any person or firm who provides advice or services to the Remuneration Committee or materially assists the Remuneration Committee on matters relating to Directors' remuneration. If such person or firm is not a Director, the secretary shall keep a record of the nature of any other services provided by that person to the Company during the year.

### **5. FREQUENCY OF MEETINGS**

Meetings shall normally be held at such times as the Chair of the Committee deems appropriate.

### **6. PROCEEDINGS**

- 6.1 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the Company's Articles of Association regulating the meetings and proceedings of Directors.
- 6.2 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any member thereof.
- 6.3 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 Remuneration Committee and any other person required to attend not later than 48 hours prior to the date of the meeting.
- 6.4 The secretary of the Committee shall record the proceedings and resolutions of the meetings of the Committee and shall promptly circulate the minutes of such meetings to all members of the Committee and, if the Chair so decides, to all members of the Board.
- 6.5 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all Committee meetings shall be included in the Board papers for a subsequent Board meeting.

### **7. AUTHORITY**

- 7.1 The Remuneration Committee is authorised by the Board at the expense of the Company to investigate any matter within its terms of reference. It is authorised to seek any information it requires from any employee in order to perform its duties and all employees are directed to co-operate with any requests made by the Committee.
- 7.2 The Committee is authorised by the Board at the expense of the Company to obtain external professional advice and to secure the attendance of third parties with relevant experience and expertise at meetings of the Committee if it considers this necessary.

- 7.3 The Committee is authorised by the Board to appoint external consultants at the Company's expense in respect of executive Directors' remuneration and to set their terms of reference.
- 7.4 These terms of reference may be amended from time to time as required, subject to approval by the Board.
8. DUTIES
- 8.1 The Committee shall in furtherance of its role be responsible for:
- 8.1.1 all elements of the remuneration of the executive Directors and the Chair of the Board, including pension rights and compensation (i.e. damages) payments.
- 8.1.2 the appointment, terms and conditions of employment, transfer or dismissal of any senior manager of the Company and/or the policy for, and the payment of, any bonus, compensation arrangement, equity options or other discretionary sum to an employee of the Company or member of Polar Capital LLP. The senior management for this purpose shall mean any person who is an employee within the group or is a member of Polar Capital LLP and who, in either case, receives remuneration (whether by way of salary, share of profit or otherwise) of at least £175,000 per annum.
- 8.2 The Committee shall:
- 8.2.1 Determine and agree with the Board the Remuneration Policy framework for the remuneration (including benefits, pension arrangements and termination payments), of the Chair of the Board, chief executive and executive Directors of the Company and the senior management;
- 8.2.2 When determining remuneration schemes and the remuneration policy, consider the use of discretion by the Committee to override formulaic outcomes and exercise any discretion or judgment on remuneration outcomes in accordance with any incentive schemes and the remuneration policy, taking account of company and individual performance, and wider circumstances.
- 8.2.3 In determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of any applicable corporate governance 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. The remuneration policy should have regard to the risk appetite of the company and alignment to the Company's long strategic term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company.
- 8.2.4 When setting remuneration policy for executive Directors,
- a. within the terms of the agreed framework and broad policy, determine the total individual remuneration package of each executive Director, including, where appropriate, bonuses, incentive payments, share options and pension arrangements.
- b. review and have regard to pay and employment conditions across the Group, especially when determining annual salary increases
- c. address the following factors: clarity, simplicity, risk, predictability, proportionality and alignment to culture.
- 8.2.5 Review the on-going appropriateness and relevance of the remuneration policy and obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity

- 8.2.6 Consider the appropriateness of seeking shareholder approval for new long term incentive schemes;
- 8.2.7 Having regard to the appropriate Governance Code, to advise on and determine all formulae for performance-related schemes operated by the Company, the methods for assessing whether performance conditions are met and the eligibility of executive Directors for annual bonuses and benefits under long term incentive schemes;
- 8.2.8 Review and recommend to the Board, the remuneration of the Company Secretary;
- 8.2.9 Liaise with the Nomination Committee to ensure that the remuneration of newly-appointed executive Directors and senior management is within the Company's overall policy;

#### SERVICE CONTRACTS AND SEVERANCE

- 8.2.10 Consider and make recommendations in respect of any other terms of the service contracts of the executives and any proposed changes to these contracts, and review the Company's standard form contract for executive Directors from time to time;
- 8.2.11 Determine the policy for, and scope of, termination payments and compensation commitments for each executive Director, ensuring poor performance is not rewarded and that there is a clear link between non-contractual payments to performance.
- 8.2.12 Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company and in accordance with legal and regulatory requirements, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

#### SHARE BASED REMUNERATION AND BONUSES

- 8.2.13 Consider and recommend for approval by the board the design of, and determine the targets for, the operation of all long-term incentive schemes, including all schemes involving the award of shares or the grant of options, in which executive directors, the company secretary and senior executives participate.
- 8.2.14 Recommend for approval by the Board the design of, and determine annual targets and key performance indicators for, any bonus scheme operated by the Company and assess performance against targets and key performance indicators, by the Company, individual executive directors, the company secretary and senior executives;
- 8.2.15 For any such schemes or plans, determine each year whether the awards will be made, and if so, approve the levels of participation in such schemes or plans by those individuals;
  - 1. monitor and assess any performance conditions applicable to any long-term incentive awards granted under any schemes or plans adopted by the Company.
  - 2. ensure that the performance conditions are fully explained, aligned to the Company purpose and values, and clearly linked to the successful delivery of the Company's long-term strategy and enhancement of shareholder value.
  - 3. exercise independent judgement and discretion when authorising outcomes under all incentive arrangements, taking account of company and individual performance, and wider circumstances;
  - 4. design and invoke agreed safeguards, for example, clawback or withholding the payment of any sum or share award, to protect against rewards for failure through appropriate risk management of any incentive arrangements to ensure that any performance-related payments reflect actual achievements;
  - 5. ensure that all incentive arrangements are aligned to the Company's risk policies and systems, its purpose and values, support the strategy and promote long-term sustainable success; and

6. apply if considered appropriate any shareholding requirements, including vesting and holding periods, and any post-employment shareholding requirements for executive directors, the company secretary and senior executives that encompass both unvested and vested shares.
- 8.2.16 Consider any other matters relating to the remuneration of or terms of employment applicable to the executive Directors, Chair and senior management and referred to the Remuneration Committee by the Board;
- 8.2.17 Be aware of and advise on any major changes in employee benefit structures throughout the group;
- 8.2.18 Have regard, in the performance of the duties set out in this clause, to the appropriate Governance Code, the AIM Rules and to any published guidelines or recommendations regarding the remuneration of Directors of listed companies and the formation and operation of share option schemes (in particular the guidelines published by the Association of British Insurers and PLSA) which the Committee considers relevant or appropriate.
- 8.2.19 Have regard, where relevant, to the requirements of the FCA remuneration codes applicable to the Company and related guidance and the Company's compliance with the same.
- 8.2.20 Agree any policy for authorising claims for expenses of the chief executive and the Chair of the Board.

#### REMUNERATION CONSULTANTS

- 8.2.21 Help it to fulfil its obligations and enable it to judge where to position the Company relative to other companies, 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; and
- 8.2.22 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

#### REPORTING

- 8.2.23 Ensure that a report from the Chair of the Committee addressed to the shareholders of the Company and published in the Company's Annual Report shall include all information required to be disclosed by the Companies Act 2006 (including any regulations made under that Act), any other statutory, regulatory or governance codes as well as describing the work and decisions of the Committee including disclosing any matters that could not be resolved between the Committee and the Board.
- 8.2.24 Publish the Committee's terms of reference.
- 8.2.25 Engage in appropriate discussions as necessary with major shareholders on significant matters related to the Committee's areas of responsibility and if, a 20 per cent. or more of votes have been cast by shareholders against a resolution, approve the annual remuneration report or any long-term incentive scheme at any annual general meeting or general meeting, as the case may be, and agree with the Board any appropriate disclosure, including the Annual Report.

#### **9. EXCLUSIONS**

- 9.1 The Remuneration Committee does not have responsibilities for nominations to the Board.
- 9.2 The remuneration of non-executive Directors shall be a matter for the Chair of the Board and the Executive members of the Board to decide at a Board meeting (subject to the limits set out in Articles of Association of the Company). The Board may, however, delegate this

responsibility to a smaller sub-committee of executive Directors, which may include the chief executive.

#### **10. ANNUAL GENERAL MEETING**

The Chair shall be available at the Annual General Meeting to answer questions arising generally on remuneration principles and practice and the activities of the Remuneration Committee. He or she should also ensure that the Company maintains good contact with shareholders about remuneration in the same way as for other matters.

**TERMS OF REFERENCE FOR REMUNERATION COMMITTEE WERE APPROVED BY THE BOARD: 11 MARCH 2020**