



Terms of Reference of the Remuneration Committee of the Board of Directors of Consort Medical plc ("the Committee")

Membership

1. The Committee shall comprise at least two members, each appointed by the Board of Directors (the "**Board**") on the recommendation of the Nomination Committee and in consultation with the Chair of the Remuneration Committee.
2. All members of the Committee will be non-executive directors who are independent in character and judgement and free from any business or other relationship or circumstance that could affect, or appear to affect, the exercise of their independent judgement. The Chair of the Board may serve on the committee as an additional member if he or she was considered independent on appointment as Chair.
3. Appointments to the Committee shall be for a period up to 3 years, which may be extended by no more than two additional three-year periods, so long as members (other than the Chair of the Board, if he or she is a member of the Committee) continue to be independent.
4. The Board shall appoint the Chair of the Committee, who shall be an independent non executive director and determine the period for which he/she shall hold office. Before such appointment, the appointee should normally have served on a remuneration committee for at least 12 months. The Chair of the Board shall not be appointed the Chair of the Committee.

Secretary

The Company Secretary or their 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 the issues.

Meetings

1. The Committee shall meet formally at least twice a year and at such other times as may be required.
2. A meeting of the Committee shall be called by the Secretary at the request of the Committee Chair.
3. Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, and any other person required to attend, no later than five working days before the date of the meeting, unless otherwise agreed with the Chair of the meeting.
4. The quorum for any meeting shall be two.
5. Other individuals such as the Chair of the Board, the Chief Executive or the Group HR Director, may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
6. In the absence of the Chair of the Committee, the remaining members present shall elect one of their number (who would qualify under these terms of reference to be appointed to that position) to chair the meeting.



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7. No Committee member or attendee shall participate in any discussion or decision on their own remuneration or term of office.

Minutes of Meetings

1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
2. Draft minutes of the Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless it would be inappropriate to do so.

Annual General Meeting

The Chair of the Committee shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

Duties

The Committee shall carry out the duties detailed below for the Group as a whole, as appropriate.

The Committee shall:

1. have responsibility for setting the remuneration policy for all executive directors, the Company's Chair, the Company Secretary and the remaining members of the Executive Committee (together, the Executive Group) including pension rights and any compensation payments, which should be designed to support strategy and promote long term sustainable success. The Board itself, or where required by the Articles of Association, the shareholders should determine the remuneration of the non-executive directors within any limits set in the Articles of Association. No director or senior manager shall be involved in any discussion or decision on their own remuneration;
2. in determining such policy, take into account factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code (July 2018) (the 'Code') and the UK Listing Authority's Listing Rules and associated guidance;
3. when setting the Company's remuneration policy and practices the Committee shall ensure:
 - 3.1 that the Company can attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to the views of shareholders and other stakeholders and ensure that executive management are rewarded for their individual contributions;
 - 3.2 that remuneration arrangements are transparent and promote effective engagement with shareholders and the workforce;
 - 3.3 that the overall remuneration structure is clear and that their rationale and operation are easy to understand;
 - 3.4 that reputational and other risks from excessive rewards, and behavioural risks that can arise from target based incentive plans are identified and mitigated;



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- 3.5 the range of possible values of rewards to individual directors and any other limits or discretions are identified and explained at the time of approving the Remuneration Policy;
 - 3.6 that rewards are proportional with a clear link to the delivery of strategy and the long term performance of the Company and that outcomes should not reward poor performance;
 - 3.7 that incentive schemes should drive behaviours consistent with the Company purpose, values and strategy;
 - 3.8 that due regard is given to pay and employment conditions across the Group, especially when determining annual salary increases.
4. review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the remuneration policy;
 5. review the ongoing appropriateness and relevance of the remuneration policy;
 6. within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive as appropriate, determine the total individual remuneration packages for the Executive Group, including base salary, bonuses, incentive payments and share options or other share awards;
 7. determine the policy for and scope of pension arrangements for the Executive Group, considering those available to the workforce;
 8. ensure that contractual terms on termination, and any payments made, on termination of any member of the Executive Group are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
 9. agree the policy for authorising claims for expenses from the directors;
 10. approve the design of, and determine targets for, any performance related pay schemes operated by the Group and approve the total annual payments made under such schemes;
 11. review the design of all share incentive plans for approval by the Board and shareholders as appropriate. For any such plans, determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to the members of the Executive Group and the performance targets to be used. The Committee will ensure that performance conditions are fully explained and consider whether any factors should be taken into account which would make an alternative outcome more appropriate and aligned to the interests of shareholders;
 12. structure remuneration schemes to promote long term shareholdings by the executive directors to support alignment with long term shareholder interests;
 13. develop and oversee any requirements for executive directors to maintain a specified shareholding in the Company, including any policies which shall apply after cessation of employment;
 14. ensure remuneration schemes and policies enable the use of discretion to override formulaic outcomes and include provisions that would enable the Company to recover and / or withhold sums or share awards and specify the circumstances in which it would be appropriate to do so;



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15. exercise independent judgement and discretion when authorising outcomes under all incentive arrangements, taking into account Company and individual performance, and wider circumstances;
16. oversee any major changes in employee benefits structures throughout the Group.

Authority

The Committee is authorised by the Board:

1. when necessary for the fulfilment of its duties, at the Company's expense, to obtain outside legal or other professional advice on any matters within its terms of reference;
2. to obtain reliable, up to date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within budgetary restraints imposed by the Board to fulfil its obligations;
3. to be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

Reporting Responsibilities

1. The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
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.
3. The Committee shall report to the Board on workforce reward, incentives and conditions and support the Board's monitoring of the alignment of Company policies and practices with culture and strategy.
4. The Committee members shall provide a report outlining the directors' remuneration policy which shall be put to shareholders, at least once every three years, for binding approval at the AGM, unless required to be submitted to shareholders earlier due to a need to change that policy. Each year the Committee members shall provide a report outlining how the remuneration policy has been applied in the prior year and how the Committee intends to apply remuneration policy in the forthcoming year. This report shall be put to shareholders for advisory approval at the AGM.
5. The Committee shall engage in appropriate discussions as necessary with shareholders if, 20% or more of votes have been cast by shareholders against a resolution to approve the annual remuneration report or directors' remuneration policy to determine the basis for the opposition and will agree with the Board any appropriate disclosure, including in the annual report.
6. If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify the consultants and state whether they have any other connection with the Company.
7. The Committee shall through the Chair of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.



Other Matters

The Committee shall:

1. have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
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.
3. give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non-listed companies and formation and operation of share schemes including but not limited to the Companies Act 2006, the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure, Guidance and Transparency Rules as well as guidelines published by the Investment Association, and any other applicable rules, as appropriate.
4. work and liaise as necessary with all other board committees, including the Nomination Committee in respect of any remuneration package to be offered to any new appointee of the Board.
5. arrange for periodic reviews of its own performance, and at least annually, review its constitution and these terms of reference to ensure it is operating effectively and recommend to the Board any changes it considers necessary.

Adopted by the Board of Consort Medical plc on 24 April 2019