

SENSYNE HEALTH LIMITED

(the Company)

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

(approved at a meeting of the board of directors of the Company held on 19 July 2018)

1. CONSTITUTION

The board of directors of the Company (the **Board**) has resolved to establish a committee of the Board to be known as the Remuneration Committee (the **Committee**).

2. MEMBERSHIP

- 2.1 The Committee members will be appointed by the Board, on the recommendation of the nomination committee (the **Nomination Committee**) in consultation with the chairman of the Committee (the **Committee Chair**), in accordance with the Company's articles of association.
- 2.2 The Committee will comprise a minimum of three members, all of whom will be independent non-executive directors. The chairman of the Board (the **Chairman**) may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman.
- 2.3 The first members of the Committee will be Andrew Gilbert, Dr. Vishal Gulati and Dr. Anna Lisa Jenkins.
- 2.4 The Committee Chair will be an independent non-executive director appointed by the Board on the recommendation of the Nomination Committee from among the members of the Committee. The Committee Chair shall be Andrew Gilbert at the date of approval of these terms of reference. In the absence of the Committee Chair (and/or an appointed alternate member), the members present at any meeting of the Committee will elect one of their number to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman will not be the Committee Chair.
- 2.5 The Committee Chair and members will be listed each year in the Company's annual report.
- 2.6 Each member will hold office as a Committee member for a period of up to three years, which may be extended by no more than two additional periods of up to three years, provided the member still meets the criteria for membership of the Committee and subject to the articles of association and re-election by shareholders.
- 2.7 If any member of the Committee is unable to act for any reason, the Committee Chair may appoint any other independent non-executive director of the Company or Chairman agreed by the other members of the Committee, to act as that member's alternate.
- 2.8 The company secretary or his or her nominee will be the secretary of the Committee (the **Secretary**) and shall ensure that where members have concerns on any matters raised or any proposed action, those concerns are recorded in the Committee minutes.
- 2.9 The Secretary will forward to all members of the Committee all information and papers in a timely manner to enable full and proper consideration of any issues.

3. QUORUM

The quorum for meetings of the Committee shall be two members present throughout the meeting. 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.

4. AUTHORITY

4.1 The Board authorises the Committee to:

- (a) investigate any activity within the scope of its duties;
- (b) seek any information it requires from any employee of the Company or group company in order to perform its duties; and
- (c) obtain inside and outside legal or other professional advice including subject to any budgetary restraints imposed by the Board information about remuneration practices elsewhere, at the Company's expense. The Committee may, if it thinks fit, supply to others information about the Company's remuneration practices and, secure the attendance at meetings of outsiders with relevant experience and expertise.

5. MEETINGS

5.1 The Committee will meet at least four times per financial year of the Company and otherwise as the Committee Chair will require.

5.2 No one other than the members of the Committee is entitled to be present at a meeting of the Committee. The members of the Committee will, however, have the discretion to decide who else will be invited to attend for all or part of any meeting, as and when appropriate and necessary.

5.3 The Chairman and/or Chief Executive Officer will be invited by the Committee to attend meetings to discuss the performance of the other executive directors and to make proposals as necessary. The Committee may consult the other non-executive directors in its evaluation of the Chief Executive Officer.

5.4 No director or employee will be present at any meeting of the Committee when his or her own remuneration is being discussed. No director will be involved in any decision as to his or her own remuneration.

5.5 Meetings of the Committee shall be called by the Secretary at the request of any of its members.

5.6 Unless otherwise agreed, notice of each meeting of the Committee confirming the venue, date and time together with an agenda of items to be discussed and supporting papers where appropriate will be forwarded to each member of the Committee and to each other person invited to attend, no later than five working days prior to the date of the meeting. All reasonable efforts will be made to give notice of meetings of the Committee to all members of it and to arrange such meetings so that members are able to attend them.

5.7 Members of the Committee may participate and be included in any quorum in any Committee meetings by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, provided the meeting is quorate. Such

meetings shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the Committee Chair is.

- 5.8 In the event of an equality of votes, the Committee Chair will have a casting vote.
- 5.9 The Secretary will prepare minutes of any meeting of the Committee, which will include names of those present and in attendance and, after approval and signature by the Committee Chair, will circulate the minutes to all members of the Committee and, once agreed, to all other members of the Board, unless it would be inappropriate to do so. The Secretary shall also ascertain at the beginning of each meeting of the Committee the existence of any conflicts of interest and minute them accordingly.
- 5.10 The Committee Chair will be available to answer questions about the Committee's activities at the annual general meeting of the Company. All members of the Committee will also attend the annual general meeting.

6. DUTIES

- 6.1 The Committee shall make available these terms of reference, explaining its role and the authority delegated to it by the Board, by including the information on the Company's website.
- 6.2 The Committee should carry out the duties set out below, for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.
- 6.3 The Committee will consult the Chairman and/or Chief Executive Officer about its proposals relating to the remuneration of other executive directors. It will also consult the senior independent director and other non-executive directors, who are not members of the Committee, about its proposals relating to the remuneration of the Chairman.
- 6.4 The duties of the Committee will be to:
 - (a) make recommendations to the Board regarding the Company's policy relating to executive remuneration and its cost giving full consideration to the remuneration matters set out in the UK Corporate Governance Code;
 - (b) determine on the Board's behalf the entire individual remuneration packages for each executive director, the Chairman and the company secretary, including pension rights and any compensation payments, and to recommend and monitor the level and structure of remuneration for each senior manager, giving full consideration to the remuneration matters set out in the UK Corporate Governance Code, including approving the following in respect of each executive director:
 - (i) a service contract;
 - (ii) any benefit, and/or pension and/or incentive scheme entitlement;
 - (iii) any other bonuses, fees and expenses; and
 - (iv) any compensation payable (including pension contributions) on the termination of a service contract.

The remuneration of non-executive directors will be a matter for the Chairman and executive members of the Board.

- (c) ensure that the remuneration of each executive director is in accordance with the most recent remuneration policy approved by the Committee, as attached to these terms of reference (the **Remuneration Policy**);
- (d) in relation to the equity incentive plans (**Plans**) established and operated by the Company to:
 - (i) determine and administer policy for the grant of awards/options to executive directors and senior executives of the Company, to ensure that they are provided with appropriate incentives consistent with the Remuneration Policy;
 - (ii) approve all and any awards/options to executive directors and senior executives, including consideration of the quantum of grants and vesting schedules;
 - (iii) set appropriate performance targets in connection with the awards and options;
 - (iv) determine, in conjunction with the Company's advisers, whether such performance targets have been satisfied;
 - (v) approve any amendments to the Plans prior to obtaining any necessary shareholder approval; and
 - (vi) exercise any discretion specified in the rules of the Plans and generally oversee the administration of Plans offered to executive directors and/or other senior executives;
- (e) consider and review the terms of any new equity plans for executive directors and/or senior executives;
- (f) regularly review the on-going appropriateness and relevance of the Remuneration Policy and all other remuneration policies to ensure that reward policies across the Company work:
 - (A) to promote the long-term success of the Company;
 - (B) to ensure, where possible, that a significant proportion of the remuneration of each executive director is structured to link remuneration to Company and individual performance;
 - (C) to consider and promote the Company's long-term strategic goals, where appropriate; and
 - (D) to ensure that any performance-related elements of any remuneration structure are transparent, stretching and rigorously applied;
- (g) consider whether or not and to what extent the views of employees and shareholders should be obtained in relation to the formulation on Remuneration Policy and ensure relevant disclosures are made;
- (h) advise on any major changes in employee benefit structures throughout the Company or group;
- (i) approve the remuneration packages of newly appointed executive directors and liaise with the Nomination Committee to ensure that any such remuneration packages are within the Remuneration Policy;

- (j) be aware of pay and employment conditions of employees within the Company's group and consider how such pay and employment conditions should be taken into account when determining directors' remuneration;
- (k) approve any compensation packages or arrangements following the severance of any executive director's contract, to ensure that it falls within the Remuneration Policy and that the executive director is treated fairly but that failure is not rewarded and the duty of the executive director to mitigate any loss suffered by him/her as a result of the severance is fully recognised;
- (l) consider whether the Company's remuneration strategy is compatible with the Company's risk management policies;
- (m) where appropriate, appoint consultants in respect of executive director remuneration and make the terms of reference of such consultants, together with a statement of whether they have any other connection with the Company, available (by placing it on the Company's website and including a statement in the annual report, and to consider how such advice is independent and objective);
- (n) consider the relative importance of the Company's expenditure on pay compared to the Company's profits, dividends and tax paid; and
- (o) consider any other matters as referred to the Committee by the Board.

7. REPORTING RESPONSIBILITIES

- 7.1 The Committee Chair will report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2 The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 The Committee will assist the Board in preparing an annual remuneration report to shareholders for the purposes of, and in accordance with, sections 420 and 421 of the Companies Act 2006, the AIM Rules for Companies of the London Stock Exchange and the provisions of the UK Corporate Governance Code.
- 7.4 The Committee will produce:
 - (i) an annual report setting out the Company's remuneration policies and practices, and its duties and activities during the year; and
 - (ii) a policy report in respect of directors' remuneration at least every three years,which will form part of the Company's annual report and accounts and to be approved by shareholders as required under the Companies Act 2006 and the AIM Rules for Companies of the London Stock Exchange.
- 7.5 The Committee will consider and make recommendations to the Board concerning disclosures of details of remuneration packages and structures in addition to those required by law or the rules and regulations of the London Stock Exchange.
- 7.6 If the Committee appointed remuneration consultants, the annual remuneration report will identify such remuneration consultants and state whether they have any other connection with the Company.

7.7 The Committee Chair will ensure that the Company maintains contact with its principle shareholders about remuneration.

8. PERFORMANCE, RESOURCES AND TRAINING

8.1 The Committee will have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.

8.2 The Committee will 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.

8.3 The Committee will give due consideration to the AIM Rules for Companies of the London Stock Exchange, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules sourcebook (insofar as it is applicable to AIM companies) as well as guidelines published by the Investment Association and the National Association of Pension Funds and any other applicable rules, as appropriate.

8.4 The Committee will 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.

Remuneration policy

- 1.1 The Company's remuneration policy is designed to provide a framework to:
- attract, motivate and retain executives and senior management to deliver the Company's strategic, business development and growth goals;
 - incentivise strong financial performance and reward the delivery of the Company's business plan;
 - align the interests of executives and senior management with the interest of shareholders; and
 - adhere to principles of good corporate governance.
- 1.2 As an AIM company, the Company is not required to have a shareholder-approved Directors' remuneration policy. However, the Board is committed to achieving high standards of corporate governance, integrity and business ethics, and the Remuneration Committee has approved the following remuneration policy for its Directors which it intends to operate on a voluntary basis.
- 1.2.1 Salary
- Salaries are reviewed annually and are set at a level considered appropriate for the size and nature of the business, taking into account individual performance, and pay and conditions of the wider workforce.
- 1.2.2 Pension contribution
- Directors will be assessed for eligibility to participate in the Company's Group personal pension plan under the terms of auto enrolment.
- 1.2.3 Benefits
- Directors will receive market competitive benefits, including (but not limited to) private medical insurance.
- 1.2.4 Share Option Schemes
- Executive Directors may participate, at the discretion of the Remuneration Committee, in the equity incentive arrangements established and operated by the Company.