

SYSGROUP PLC (the “Company”)

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE (the “Committee”)

(adopted on 4 January 2013 conditional on admission to AIM)

(Updated and approved 25 April 2024)

1. Constitution

- 1.1 The Committee was constituted at a meeting of the board of directors of the Company (the “**Board**”), conditional on admission of the Company’s issued shares to trading on AIM (“**Admission**”) and is to be known as the “**Remuneration Committee**”.

2. Membership

- 2.1 The Committee shall have at least two members. The chairman of the Board may serve on the Committee if he or she is considered independent but may not serve as Chairman of the Committee
- 2.2 The members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the chairman of the Remuneration Committee. All of the members of the Committee should be independent non-executive directors, free from any business or other relationship which could materially interfere with the exercise of their independent judgement. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director still meets the criteria for membership of the Committee.
- 2.3 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.
- 2.4 The members of the Committee can be varied at any time by a majority resolution of the existing members of the Committee save that any additional appointment must still be an independent non-executive director.

3. Secretary

- 3.1 The Company Secretary or one of the members of the Committee as appointed by the Committee 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.

4. Quorum and voting arrangements

- 4.1 A quorum shall be any two members of the Committee.
- 4.2 Each member of the Committee shall receive advanced notice of the meeting and have one vote which they may cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.

4.3 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly, has a personal interest, that member shall not be permitted to vote at the meeting.

4.4 Save where he or she has a personal interest, the Chairman shall have a casting vote.

5. Attendance at meetings

5.1 The Committee will meet at least twice a year. The Committee may meet at other times during the year as agreed between the members of the Committee.

5.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Executive Chairman, the Chief Financial Officer, the Chief P&C Officer and external advisers may be invited to attend all or part of any meeting as and when appropriate.

6. Notice of meetings

6.1 Meetings of the Committee shall be called by the secretary or the Chairman at the request of any of its members.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and other attendees (as appropriate) at the same time.

7. Duties

7.1 The Committee shall determine and agree with the Board the framework or broad policy for the remuneration of the Company's Executive Chairman, the executive directors, the company secretary and such other members of the senior management as it is designated to consider (the "**Remuneration Policy**") in accordance with the Principles and Provisions of the QCA Corporate Governance Code. The remuneration of non-executive directors shall be a matter for the Executive Chairman and the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration.

7.2 In determining the Remuneration Policy, the Committee shall take into account all factors which it deems necessary, including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The main objective of the Remuneration 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.

7.3 The Committee shall be responsible for reviewing the ongoing appropriateness and relevance of the Remuneration Policy.

- 7.4 The Committee shall design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to Company purpose and values, clearly linked to the successful delivery of the Company's long-term strategy, which enable the use of discretion to override formulaic outcomes and recover and/or withhold sums or share awards under appropriate specified circumstances.
- 7.5 The Committee shall 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.
- 7.6 The Committee shall review the design of all share incentive plans for approval by the Board and, where required, shareholders. For any such plans, the Committee shall determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used.
- 7.7 The Committee shall ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 7.8 Within the terms of an agreed Remuneration Policy and in consultation with the Executive Chairman, the Committee shall determine the total individual remuneration package of each executive director, the company secretary and other senior executives including bonuses, incentive payments and share options or other share awards. The choice of financial, non-financial and strategic measure is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of Company and individual performance, and wider circumstances.
- 7.9 In determining such packages and arrangements, the Committee shall give due consideration to any applicable legal requirements, the provisions and recommendations in the UK Corporate Governance Code, NAPF Corporate Governance Policy and Voting Guidelines for AIM Companies, the QCA Corporate Governance Guidelines for Smaller Quoted Companies and Remuneration Committee Guide and the London Stock Exchange's rules for AIM companies and associated guidance as appropriate for a company of the Company's size and development.
- 7.10 The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 7.11 The Committee shall obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants.
- 7.12 The Committee shall review workforce remuneration and related policies.

7.13 The Committee shall work and liaise with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

7.14 The Committee shall consider such other matters as may be requested by the Board from time to time.

8. Reporting

8.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

8.2 Draft minutes of each meeting will be circulated to all members of the Committee. On finalisation these will be signed by the Chairman.

8.3 The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's annual report.

9. Other matters

9.1 The Chairman should be available at each Annual General Meeting of the Company to answer questions concerning the Committee's work during the preceding year. In addition, the Committee Chairman should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

9.2 The Committee shall, at least once a year, review its own performance, 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.

9.3 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for advice and assistance as required.

9.4 The Committee shall 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.

9.5 The Committee shall ensure that these terms of reference are made available by placing them on the Company's website.

10. Authority

10.1 The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to obtain, at the Company's expense, legal or professional advice on any matter within its terms of reference.