

Checkit plc (the Company)

Remuneration Committee

Terms of Reference

1. Purpose

- 1.1 The Company is not listed on the main market of the London Stock Exchange and consequently is not required to have regard to the UK Corporate Governance Code. However, the board of directors is committed to maintaining high standards of corporate governance and has adopted the Quoted Companies Alliance ('QCA') Corporate Governance Code in line with the London Stock Exchange's AIM rules requiring all AIM listed Companies to comply with a recognised corporate governance code.
- 1.2 The purpose of the committee is to establish a formal, rigorous and transparent procedure for developing policy on executive remuneration, on the basis set out in 1.1 above, and to set the remuneration packages of individual Company board executive directors and all employees with a base salary of £120,000 or more; and to demonstrate to the Company's shareholders that the remuneration of plc board executive directors and senior employees is set by a board committee whose members have no personal interest in the outcome of such committee's decision and who will have appropriate regard to the interests of the Company's shareholders.

2. Constitution

- 2.1 The remuneration committee has been established as a committee of the board of the Company by resolution of the board.

3. Membership

- 3.1 The committee shall comprise at least two members, all of whom shall be non-executive directors.
- 3.2 The Chair of the committee shall be appointed by the board. In the absence of the Chair of the committee, the members present shall choose one of their number present to chair the meeting. The chairman of the Company shall not be eligible to be appointed as Chair of the committee.
- 3.3 Appointments to the committee shall be for a period of up to three years, which may be extended by no more than two additional three-year periods, provided the director, (other than the chairman of the Company, if he or she is a member of the committee) still meets the criteria for membership of the committee.
- 3.4 The company secretary shall act as secretary of the committee. Where the secretary is also an executive director, the committee may nominate one of its members to act as secretary for any meeting which the committee wishes to hold without the executive directors being present.

4. Attendance

- 4.1 Only members of the committee have the right to attend meetings of the committee. However, other individuals including, without limitation, the chairman of the Company (if not already on the committee), the executive directors, any relevant senior management and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

5. Committee Meetings

- 5.1 The committee shall meet at least twice each year, and at such other times as the Chair of the committee shall think fit.
- 5.2 Meetings of the committee shall be convened by the secretary of the committee at the request of any member.
- 5.3 Unless otherwise agreed by all members of the committee, notice of meetings, confirming the venue, date and time together with an agenda of items and supporting papers, should normally be circulated to each member of the committee and to all persons required to attend, no later than five working days prior to the date of the meeting.
- 5.4 The quorum for meetings of the committee shall be two members.
- 5.5 All or any of the members of the committee may participate in a meeting of the committee by means of conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.
- 5.6 Each member of the committee shall have one vote which may be cast on matters considered at the meeting. Decisions of the committee will be made by unanimous vote or by a casting vote of the Chair if there is a tie in vote.
- 5.7 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.
- 5.8 The secretary of the committee shall minute the proceedings and resolutions of all committee meetings. Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes should be circulated to all other members of the board unless in the opinion of the committee Chair it would be inappropriate to do so.

6. Annual General Meeting

- 6.1 The committee Chair should attend the annual general meeting of the Company to answer any shareholder questions on the committee's activities.

7. Principal Duties

For all executive directors of the board and senior employees, the committee shall:

- 7.1 agree, with the board, the framework or policy for remuneration taking into account all factors the committee deems necessary. The objective of the framework shall be to ensure that Company board executive directors and senior employees are appropriately incentivised to encourage enhanced performance and aligned with the interests of stakeholders in the Company and the long-term success of the Company;
- 7.2 review the ongoing appropriateness and relevance of the remuneration policy (and when relevant considering relevant market comparisons and practice together with any other relevant guidance);
- 7.3 determine the performance related schemes and any performance related targets, when required, and approve the total annual payments to be made under these schemes in light of the individual's performance;
- 7.4 determine the total individual remuneration package of each Company board executive director and senior employees with a base salary of £120,000 or more including, where appropriate, salary, bonuses, incentive payments, awards under the Company's share plans, service contracts and pension rights; and
- 7.5 ensure that contractual terms on termination of any employment and any payments made, are fair to all parties, ensuring that compensation payments do not have the effect of rewarding poor performance and that the duty to mitigate loss is fully recognised, while dealing fairly with cases where departure is not due to poor performance.

and for all employees the committee shall:

- 7.6 review and approve acceptable overall dilution levels of Company shares in respect of incentive schemes;
- 7.7 review the design of all share incentive plans and / or benefit schemes for approval by the board and, if required, shareholders;
- 7.8 for any such plans determine each year if awards will be made and the individual awards and overall amount of such awards;

Other matters regarding remuneration:

- 7.9 The remuneration of non-executive directors shall be a matter for the chairman of the Company in consultation with the Company board executive directors (such non-executive director fees to be determined by the board itself); and
- 7.10 No director or employee shall be involved in any decisions as to his or her own remuneration.

8. Support

- 8.1 The committee may seek any information that it requires from any director, officer or employee of the Group ("Group" being the Company, its subsidiaries and subsidiary undertakings) in order to perform its duties and all such individuals are directed to cooperate with any request made by the committee.
- 8.2 In the exercise of its principal duties, the committee is authorised to obtain expert advice from the Company's auditors, professional advisers or otherwise, to take such independent professional advice as it considers necessary, including establishing the selection criteria, setting the terms of reference and appointing remuneration consultants, and to commission any reports or surveys which it deems necessary to fulfil its obligations. For the avoidance of doubt the cost of any work to be undertaken by external advisers must be authorised in advance by the board, such authorisation not to be unreasonably withheld.

9. Reporting and Disclosure

- 9.1 The committee Chair shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The committee shall consult with the largest shareholders as appropriate.
- 9.4 All committee decisions need to be ratified at the next meeting of the board after the relevant committee meeting, save that individuals of which a decision is to be made cannot be involved in the ratification.
- 9.5 The committee shall produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the annual general meeting.
- 9.6 The committee shall read and approve the Company's remuneration policy for the Company as a whole but shall only be responsible for approving the remuneration of the Company's board executive directors and senior employees with a base salary of £120,000 or more. However, it will only report on the remuneration of the Company's board executive directors publicly.

10. Other matters

The committee shall:

- 10.1 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.

- 10.2 Give due consideration to all applicable 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.
- 10.3 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.

These terms of reference were adopted in place of the previous terms of reference by resolution of the board passed on 23 February 2021.

Remuneration Committee Terms of Reference 01/03/2021