

## EKF DIAGNOSTICS HOLDINGS PLC (the "Company")

### TERMS OF REFERENCE OF THE REMUNERATION AND NOMINATION COMMITTEE

#### 1 CONSTITUTION

The Remuneration and Nomination Committee (the "**Committee**") was constituted at a full meeting of the board of directors (the "**Board**") in accordance with the articles of association of the Company (the "**Articles**").

#### 2 DUTIES AND TERMS OF REFERENCE

2.1 The Committee should carry out the duties below for the Company, major subsidiaries and the group (the "**Group**") as a whole as appropriate.

##### Remuneration

2.2 The Committee shall determine and agree with the Board the framework or broad policy for the remuneration of the Company's chair (**Board Chair**), the executive directors, the Company Secretary (where employed by the Company) and those senior executives within the remit of the Committee pursuant to paragraph 2.6 below (**Senior Executives**), including pension rights and compensation payments. The remuneration of non-executive directors shall be a matter for the Board. No director or Senior Executive shall be involved in any decisions as to their own remuneration.

2.3 In determining such 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 the Quoted Companies Alliance guidance and other relevant guidance.

2.4 When setting remuneration policy for directors, the Committee shall review and have regard to the pay and employment conditions across the Company or Group, especially when determining salary increases.

2.5 The Committee shall:

- a) review the ongoing appropriateness and relevance of the remuneration policy, at least once every three years;
- b) approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- c) review the design of all share incentive plans for approval by the board and shareholders, as applicable. 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 executive directors, company secretary of the Company (where employed by the Company) and the Senior Executives and the performance targets to be used;
- d) determine the policy for, and scope of, pension arrangements for each executive director and other senior executives;
- e) determine (within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive and/or shareholders as appropriate) the total individual remuneration package of the Chair, the executive directors, the Company Secretary (where employed by the Company) and the Senior Executives, including bonuses, incentive payments and share options or other share awards;
- f) ensure that contractual terms on termination and any payments made are fair to the individual and the Company and that failure is not rewarded and the duty to mitigate loss is fully recognised;

- g) oversee any major changes in employee benefits structures throughout the Company or Group;
- h) agree the policy for authorising claims for expenses from the directors;
- i) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and
- j) obtain reliable, up-to-date information from a variety of sources (including, if appropriate, company records) about remuneration in other companies of comparable scale and shall have full authority to delegate certain duties and appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary to help it fulfil its obligations within any budgetary restraints imposed by the Board;

2.6 The Senior Executives within the remit of the Committee shall include such other roles as the Board may nominate from time to time. This list shall be reviewed by the Board on an annual basis.

### **Nomination**

2.7 The Committee shall:

- a) regularly review the structure, size and composition (including the skills, knowledge, diversity and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- b) give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- c) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- d) before each appointment is made by the Board, evaluate the balance of skills, knowledge, diversity, including gender and ethnic diversity, and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - i. use open advertising or the services of external advisers to facilitate the search;
  - ii. consider candidates from a wide range of backgrounds; and
  - iii. consider candidates on merit and against objective criteria, and with due regard for the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position;
- e) for the appointment of a chair, the Committee should prepare a job specification, including the time commitment expected.;
- f) prior to the appointment of a director, including the chair, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- g) keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

- h) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- i) review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- j) review the results of the Board performance evaluation process that relate to the composition of the Board;
- k) ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
- l) at the request of the Board, review and make recommendations to the Board on the approach to Boardroom and senior management diversity in the Company; and
- m) work and liaise as necessary with other Board committees.

2.8 The Committee shall also make recommendations to the Board concerning:

- a) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chair and Chief Executive;
- b) suitable candidates for the role of senior independent director;
- c) the re-appointment of any non-executive director at the conclusion of their specified term of office and in accordance with the provisions of the Articles, having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- d) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and
- e) the appointment of any director to executive or other office other than to the positions of chair and Chief Executive, the recommendation for which would be considered at a meeting of the full Board.

2.9 The Committee shall consider such other matters as may be requested by the Board and work and liaise as necessary with all other board committees.

### **3 REPORTING**

3.1 The chair of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.

3.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

3.3 The Committee shall ensure that provisions regarding all disclosure of information as set out in all applicable regulation and legislation, are fulfilled and produce a report to the shareholders, detailing the Committee's activities over the reporting period. If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any

connection with the Company. The report should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy and progress on achieving objectives.

#### **4 MEMBERSHIP**

- 4.1 The members of the Committee shall be appointed by the Board, on the recommendation of the Committee. The Committee shall have at least two members.
- 4.2 All of the members of the Committee should be non-executive directors who are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.
- 4.3 Appointments to the Committee shall be for periods of up to three years, which may be extended for no more than two additional three-year periods provided the members (other than the chair of the Board, if they are a member of the Committee) continue to be independent.
- 4.4 At the date of formation of the Committee, it has been agreed that the members of the Committee will be Jenny Winter and Christian Rigg. The Board shall appoint a Committee chair. The Committee chair should have served for at least 12 months on a remuneration committee before being appointed as Committee chair. In the absence of a Committee chair, the remaining Committee members present shall elect one of themselves as chair.
- 4.5 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.
- 4.6 A quorum shall be any two members of the Committee.
- 4.7 The Committee chair and members shall be listed each year in the Company's annual report.

#### **5 VOTING ARRANGEMENTS**

- 5.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 5.2 Each member of the Committee shall disclose to the Committee:
- a) any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; or
  - b) any potential conflict of interest arising from a cross-directorship.
- 5.3 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.
- 5.4 Save where he has a personal interest, the chair of the Committee will have a casting vote.

#### **6 ATTENDANCE AT MEETINGS**

- 6.1 The Committee will meet at least twice a year at appropriate intervals. The Committee may meet at other times during the year as agreed between the members of the Committee or as required or requested by the chair of the Committee.
- 6.2 Only members of the Committee have the right to attend Committee meetings. However, other non-members may be invited to attend all or part of any meeting as and when appropriate.

- 6.3 The Company Secretary or his or her nominee shall be 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 all issues.

## **7 NOTICE OF MEETINGS**

- 7.1 Meetings of the Committee shall be called by the Company Secretary at the request of any of its members. 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 and all other non-executive directors 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 to other attendees (as appropriate) at the same time. Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.
- 7.2 Meetings of the Committee may be conducted when the members are physically present or in the form of either a video or audio conference.

## **8 AUTHORITY**

- 8.1 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.
- 8.2 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, independent legal, accounting or other professional advice on any matter within its terms of reference if it believes it necessary to do so.
- 8.3 The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.
- 8.4 The Committee has the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.
- 8.5 The Committee may conduct any special reviews deemed necessary to fulfil its responsibilities.

## **9 MINUTES**

- 9.1 The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance shall be minuted by the Company Secretary or his or her nominee. Minutes of each meeting should clearly state decisions made about each individual director's remuneration and any overarching decisions which affect all directors.
- 9.2 Draft minutes of each meeting will be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be circulated to all other members of the Board unless it would be inappropriate to do so, in the opinion of the Committee chair.

## **10 GENERAL MATTERS**

- 10.1 The chair of the Committee should make himself or herself available at each Annual General Meeting of the Company to answer questions concerning the Committee's work.
- 10.2 The chair of the Committee shall ensure comprehensive information is available in advance of Committee meetings and decisions made about each individual director's remuneration package, including any KPIs required for annual or long-term incentive schemes, are both clearly recorded and clearly communicated to individual directors in a timely manner.

- 10.3 The Committee shall arrange for periodic reviews of its own performance and, at least once a year, 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.
- 10.4 Documents circulated to the Committee by the Company Secretary should comply with the Company's data protection policies in the event sensitive information is contained in the documents.
- 10.5 Through the chair of the Board, the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration and nomination processes, including communicating the work of the committees through the annual remuneration and nomination report.
- 10.6 The Committee shall:
- a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required;
  - b) 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 and including training (where necessary);
  - c) oversee any investigation of activities which are within its terms of reference.
- 10.7 The Committee shall make available these terms of reference to shareholders and include the information on the Company's website.

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Chair of the Committee

**Approved by the Board on 17 May 2023.**

**To be next reviewed May 2024.**