

Malvern International  
plc

# TERMS OF REFERENCE

**MALVERN INTERNATIONAL PLC**  
**(Company No. 05174452)**

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

### **Definitions:**

- “Act”** : Paragraph 26 to Part 1 of the AIM Rules for Companies
- “Board' of 'Directors”** : The Directors for the time being of the Company or such number of them as have authority to act for the Company
- “Exchange”** : AIM-London Stock Exchange (Company No 05174452)
- “Committee”** : The Nomination and Remuneration Committee of the Company
- “Company”** : Malvern international plc
- “CEO”** : The principal executive officer of the Company for the time being by whatever name called, and whether he or she is a Director
- “Group”** : The Company and its subsidiaries
- “LR”** : AIM Listing Requirements including any relevant practice and/or guidance notes, directives, guidelines issued pursuant thereto and any amendment, modification, supplemental to the listing requirements that may be made from time to time
- “Company Secretary” or “Secretaries”** : any person or persons jointly appointed to perform the duties of a secretary of the Company including any person(s) appointed temporarily and any representative of the secretary

## **1. EFFECTIVE DATE**

The Board had fixed that 12 September 2018 would be the effective date of this Term of Reference for the Nomination and remuneration Committee.

## **2. Objectives**

### Remuneration

The primary objectives of the Committee are to ensure that remuneration arrangements should be aligned with the strategy and culture of the Company and its subsidiaries. It is the role of the remuneration committee to ensure that this is done.

Remuneration policy should ensure that it encourages and rewards the right behaviors, values and culture. Any risk it creates should be acceptable to the committee, be within the risk appetite of the board and respect the strategy in place.

### Nomination

The nomination committee should ensure there is a robust process for the appointment of new board directors and senior management positions. The committee should work closely with the board and the NOMAD to identify the skills, experience, personal qualities and capabilities required for the next stage in the company's development, linking the company's strategy to future changes on the board.

It should keep a close eye on succession plans and possible internal candidates for future board roles. If necessary, the nomination committee must provide support to the chair in taking the steps to remove any underperforming executive director or NED.

## **3. Composition**

The Committee shall be appointed by the Board from its members pursuant to a resolution of the Board and must fulfil the following requirements –

- (a) The Committee must comprise at least three (3) members, consisting of at least two (2) independent non-executive Directors;
- (b) The Chairman must be independent and shall also not be the Chairman of the Board;
- (c) No alternate Director shall be appointed as a member of the Committee; and

- (d) In the event of any vacancy resulting in non-compliance of the minimum of three (3) members requirement, the Board shall upon the recommendation of the Board of Directors, appoint such number of Directors to fill up such vacancy within three (3) months of the event.

#### **4. Secretary**

The Secretaries of the Company shall be the Secretaries of the Committee

#### **5. Meetings**

- (a) The Committee shall hold at least two (2) regular meetings per year, with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities. Additional meetings may be called at any time, at the discretion of the Chairman of the Committee.
- (b) The quorum for a meeting shall be two (2) members of the Committee, with at least one (1) must be an Independent Director.
- (c) The CEO and other appropriate officer(s) may be invited to attend where their presence is considered appropriate as determined by the Committee's Chairman. Other Board members may attend meetings upon the invitation of the Committee.
- (d) The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- (e) Questions arising at any meeting of the Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Committee shall have a second or casting vote.
- (f) Subject to paragraph (a) above, in appropriate circumstances, the Committee may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members

## **6. Minutes**

The minutes of each meeting shall be kept at the registered office and distributed to each member of the Committee and also to the other members of the Board. The Committee Chairman shall report on the proceedings of each meeting to the Board.

The minutes of the Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

The Committee members may inspect the minutes of the Committee at the Registered Office or such other place as may be determined by the Committee.

## **7. Reporting**

The Committee shall report to the Board, either formally in writing, or verbally, as it considers appropriate, on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Committee shall report to the Board on any specific matters referred to it by the Board for investigation and report.

## **8. Authority**

In carrying out its duties and responsibilities, the Committee shall have the following rights:

- (a) The explicit authority to investigate any matter within its Terms of Reference;
- (b) Access to the resources which are required to perform its duties;
- (c) Full, free and unrestricted access to any information, records and personnel of the Group;
- (d) Ability to obtain independent professional or other advice at the Company's costs, and to invite external parties with relevant experience to attend the Committee meetings, if required, and to brief the Committee thereof;
- (e) The attendance of any particular Committee meeting by other Directors and employees of the Group shall be at the Committees invitation and

discretion, and specific to that relevant meeting only.

## **9. Responsibilities and Duties**

In fulfilling its primary objectives, the Committee undertakes, amongst others, the following responsibilities and duties

- a) To consider the nomination and appointment , increments and bonus plans of the Group CEO, Group CFO, subsidiary General Manager and Group senior management team members;
- b) To review any letter of resignation from the Group CEO and Group CFO, and any questions of resignation or dismissal;
- c) To review whether there is reason (supported by grounds) to believe that the Senior Managers of the Group or its subsidiaries are not suitable for continued employment;
- d) Review the statement with regard to the Remuneration and Nomination policies of the Group for inclusion in the Annual Report and report the same to the Board;
- e) To consider any other functions as may be agreed between the Committee and the Board.
- f) Review the Board and Board Committee effectiveness.

## **10. Elected Members**

For information on the current members of the Committee, please refer to the Company's corporate website at [www.malverninternational.com/corporate-governance/](http://www.malverninternational.com/corporate-governance/)