

## **Terms of Reference of the Remuneration and Nomination Committee**

**SLF Realisation Fund Limited**

**Adopted: 22 April 2021**

**Updated : May 2022**

## **Terms of Reference of the Remuneration and Nomination Committee**

### **1 Membership**

- 1.1 Due to the size and nature of the Company all Directors of SLF Realisation Fund Limited have been appointed to the Remuneration and Nomination Committee.

### **2 Chairman**

- 2.1 The current Chairman is David Copperwaite.
- 2.2 The Board shall appoint the Chairman of the Remuneration and Nomination Committee. The Chairman has the responsibility of liaising with the Board.
- 2.3 The Chairman shall chair the meetings of the Remuneration and Nomination Committee. The Chairman of the Company shall not chair the Remuneration and Nomination Committee when it is dealing with the matter of succession to the chairmanship.
- 2.4 In the absence of the Chairman of the Remuneration and Nomination Committee, the remaining members present shall elect one of themselves to chair the meetings of the Remuneration and Nomination Committee.

### **3 Secretary**

- 3.1 The Company Secretary (or his/her delegate) or such other person as the Board may determine from time to time shall be the secretary of the Remuneration and Nomination Committee.
- 3.2 The secretary of the Remuneration and Nomination Committee or his/her delegate shall attend meetings of the Remuneration and Nomination Committee to take minutes.
- 3.3 In the absence of the secretary of the Remuneration and Nomination Committee, the members present at a meeting of the Remuneration and Nomination Committee shall elect another person to act as the secretary for the purposes of that meeting.

### **4 Quorum**

- 4.1 The quorum necessary for the transaction of business of the Remuneration and Nomination Committee shall be 2 independent, non-executive members.
- 4.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Remuneration and Nomination Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Remuneration and Nomination Committee in which he/she and/or his/her associates have a material interest.
- 4.3 A duly convened meeting of the Remuneration and Nomination 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 Remuneration and Nomination Committee.

## **5 Frequency of meetings**

- 5.1 The Remuneration and Nomination Committee shall meet at least once a year and at such other times as the Chairman of the Remuneration and Nomination Committee shall require.
- 5.2 Any member of the Remuneration and Nomination Committee may request a meeting if they consider that one is necessary.

## **6 Attendance at meetings**

- 6.1 Members of the Remuneration and Nomination Committee may attend meetings of the Remuneration and Nomination Committee either in person or through other telephonic and/or electronic means of communication.
- 6.2 Should any member of the Remuneration and Nomination Committee wish to attend a meeting through telephonic and/or electronic communications, prior arrangements shall be made with the secretary of the Remuneration and Nomination Committee.

## **7 Notice of meetings**

- 7.1 Meetings of the Remuneration and Nomination Committee shall be summoned by the secretary of the Remuneration and Nomination Committee at the request of any of its members or at the request of the Chairman of the Remuneration and Nomination Committee.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Remuneration and Nomination Committee, and to any other person required to attend within a reasonable time prior to the date of the meeting. Supporting papers shall be sent to Remuneration and Nomination Committee members and to other attendees as appropriate, within a reasonable time prior to the date of the meeting.
- 7.3 Any member of the Remuneration and Nomination Committee shall be entitled, by notice to the secretary of the Remuneration and Nomination Committee, to include other matters relevant to the functions of the Remuneration and Nomination Committee in the agenda of a Remuneration and Nomination Committee meeting.

## **8 Minutes of meetings**

- 8.1 The secretary of the Remuneration and Nomination Committee (or his/her delegate) in attendance at the meetings of the Remuneration and Nomination Committee shall minute in sufficient detail all proceedings and resolutions of all such meetings, including the names of those present and in attendance. The minutes should also include any concerns raised by any member of the Remuneration and Nomination Committee and/or dissenting views expressed.
- 8.2 Draft and final versions of minutes of the Remuneration and Nomination Committee meetings shall be sent to all Remuneration and Nomination Committee members for their comments and records respectively, in both cases within a reasonable time after the meeting. Once they are agreed, the secretary of the Remuneration and Nomination Committee shall circulate the minutes to all members of the Remuneration and Nomination Committee and to all members of the Board.

- 8.3 Minutes of the Remuneration and Nomination Committee meetings shall be kept by the secretary of the Remuneration and Nomination Committee and shall be available for inspection by any member of the Remuneration and Nomination Committee or Director at any reasonable time on reasonable notice.

## **9 Annual General Meeting**

The chairman of the Remuneration and Nomination Committee, if available, shall attend the Annual General Meeting of the Company and be prepared to respond to any Shareholder questions on the Management Engagement Committee's activities. Any other Directors may attend in their place.

## **10 Duties**

10.1 In respect of Nomination, the Committee shall:

- 10.1.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- 10.1.2 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;
- 10.1.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 10.1.4 before appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity 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 Remuneration and Nomination Committee may:
  - (a) use open advertising or the services of external advisers to facilitate the search;
  - (b) consider candidates from a wide range of backgrounds; and
  - (c) consider candidates on merit and against objective criteria, 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;
- 10.1.5 obtain details of and review any interests the candidate may have which conflict or may conflict with the interests of the Company. The Remuneration and Nomination Committee shall consider whether, despite any such conflict, there are nevertheless grounds for recommending the candidate for appointment and for the Board to authorise the relevant conflict. The Remuneration and Nomination Committee shall, as part of any proposal to the Board for appointment of the relevant candidate, explain these grounds

and make recommendations as to the terms and conditions on which any authorisation of the conflict should be given by the Board;

- 10.1.6 keep under review the leadership needs of the organisation with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
  - 10.1.7 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
  - 10.1.8 review annually the time commitment required from non-executive Directors and to keep under review the number of external directorships held. Performance evaluation should be used to assess whether the non-executive Directors are committing sufficient time to fulfil their duties;
  - 10.1.9 ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment; and
  - 10.1.10 ensure that non-executive Directors are appointed for specified terms subject to re-election and to statutory provisions relating to the removal of a director.
- 10.2 In respect of Remuneration, the Committee shall:
- 10.2.1 Determine and agree the structure and the level of the remuneration of the Company's Chairman and Directors, and make recommendations to the Board with regard to remuneration (Remuneration Policy);
  - 10.2.2 In determining the Remuneration Policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provision and recommendations of the AIC Code and associated guidance including where to position the Company in terms of other similar companies. The objective of the Remuneration Policy should be to attract, retain and motivate directors of the quality required to manage the affairs of the Company successfully. It should have regard to the risk appetite of the Company and alignment to the Company's long term strategic goals;
  - 10.2.3 Review the ongoing appropriateness and relevance of the Remuneration Policy, at least annually;
  - 10.2.4 Consider the need to appoint external remuneration consultants, when necessary, and be exclusively responsible for establishing the selection criteria, selection, appointment and the setting of terms of reference for any remuneration consultants who advise the Committee, and to 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.
- 10.3 The Remuneration and Nomination Committee shall also make recommendations to the Board concerning:
- 10.3.1 formulating plans for succession for non-executive Directors and in particular for the key role of Chairman;

- 10.3.2 membership of the Audit Committee and any other board committees as appropriate, in consultation with the Chairmen of those committees;
- 10.3.3 the re-appointment of any non-executive director at the conclusion of their specified term of office 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;
- 10.3.4 the re-election by shareholders of any director under the 'retirement by rotation' provisions in the Company's articles of incorporation having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 10.3.5 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
- 10.3.6 the appointment of any director to executive or other office.
- 10.3.7 the remuneration of the directors in relation to the time commitment required, along with reviewing the remuneration from time to time as appropriate.
- 10.3.8 For the appointment of a Chairman of the Remuneration and Nomination Committee, the Remuneration and Nomination Committee shall prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crisis. The Remuneration and Nomination Committee should ensure a Chairman's other significant commitments are disclosed to the Board before appointment and included in the annual report of the Company. Any changes to the Chairman's commitments should be reported to the Board as they arise and be disclosed in the next annual report of the Company.
- 10.3.9 To consider such other matters as may be requested by the Board.

## **11 Reporting responsibilities**

- 11.1 The Chairman of the Remuneration and Nomination Committee shall report formally to the Board on proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Remuneration and Nomination Committee may make a statement in the Company's annual report about its activities, the processes used to make appointments and explain if external advice or open advertising has not been used.
- 11.3 The Chairman of the Remuneration and Nomination Committee should make himself available at each annual general meeting, if appropriate, of the Company to answer questions concerning the Remuneration and Nomination Committee's work during the preceding year.

## **12 Others**

- 12.1 The Remuneration and Nomination Committee shall have access to sufficient resources in order to carry out its functions and discharge its duties.
- 12.2 All members of the Remuneration and Nomination Committee shall have access to the advice and services of the secretary of the Remuneration and Nomination Committee with a view to ensuring that procedures of the Remuneration and Nomination Committee and all applicable rules and regulations are followed.
- 12.3 The Remuneration and Nomination 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.
- 12.4 The Remuneration and Nomination Committee shall give due consideration to laws and regulations relevant to the Company and in particular the provisions of The UK Corporate Governance Code and AIC Code (or such other equivalent corporate governance code that the Company has resolved to comply with).

## **13 Authority**

- 13.1 The Remuneration and Nomination 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, professional advice on any matter within its terms of reference.
- 13.2 The Remuneration and Nomination 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 Remuneration and Nomination Committee.

## **Definitions**

In these Terms of Reference, unless the context requires otherwise, the following definitions shall apply:

"**Board**" means the Board of Directors of the Company

"**Chairman**" means the chairman of the Remuneration and Nomination Committee appointed from time to time

"**Company**" means SLF Realisation Fund Limited

"**Company Secretary**" means the company secretary of the Company from time to time

"**Directors**" means the directors of the Company from time to time