

**Zegona Communications Plc (the "Company")**

**NOMINATION AND REMUNERATION COMMITTEE (the "Committee")**  
**TERMS OF REFERENCE**

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References to "the Board" shall mean the full Board of Directors.

**1. MEMBERSHIP**

- 1.1. The Board has resolved to establish a committee of the Board to be known as the Nomination and Remuneration Committee.
- 1.2. The Committee shall comprise of at least three members of which a majority must be independent non-executive Directors.
- 1.3. The Board shall appoint the Committee Chairman.
- 1.4. Appointments to the Committee are made by the Board.
- 1.5. The Company Secretary or their nominee shall act as the Secretary of the Committee ("Secretary").

**2. MEETINGS**

- 2.1. The Committee shall meet formally at least twice a year and otherwise as required.
- 2.2. Meetings of the Committee shall be called by the Secretary at the request of the Committee Chairman.
- 2.3. The quorum necessary for the transaction of business by the Committee shall be two.
- 2.4. Unless otherwise agreed, notice of each meeting of the Committee, confirming the venue, time and date, and enclosing an agenda of items to be discussed shall, unless otherwise agreed by all concerned, be forwarded to each member of the Committee and any other person required to attend, not fewer than 5 working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate.
- 2.5. In the absence of the Committee Chairman or any appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 2.6. Only members of the Committee have the right to attend Committee meetings. Others may be called upon to speak by prior arrangement with the chairman of the Committee.
- 2.7. The Secretary shall keep appropriate records of all meetings of the Committee.
- 2.8. 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 it would be inappropriate to do so.

**3. ANNUAL GENERAL MEETING**

The Committee Chairman should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities

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**4. NOMINATION DUTIES**

The Committee shall;

- 4.1. regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board;
- 4.2. 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 the skills and expertise considered necessary for the Board in the future;
- 4.3. 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;
- 4.4. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 4.5. be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise, having evaluated the balance of skills, knowledge, experience and considered all potential conflicts of interest. In identifying suitable candidates, the Committee:
  - 4.5.1. may use open advertising or the services of external advisers to facilitate the search;
  - 4.5.2. shall consider candidates from a wide range of backgrounds; and
  - 4.5.3. shall consider candidates on merit 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;
- 4.6. 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;
- 4.7. review annually the time required from the non-executive directors. Performance evaluation should be used to assess the non-executive directors and their performance; and
- 4.8. work and liaise as necessary with all other Board committees.

The Committee shall also make recommendations to the Board concerning:

- 4.9. formulating plans for succession for both executive and non-executive directors and in particular for the roles of chairman and chief executive;
- 4.10. memberships of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the chairmen of those committees;
- 4.11. 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;
- 4.12. the re-election by shareholders of directors under the annual re-election provisions or the retirement by rotation provisions in the Company’s articles of association, 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 and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);

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- 4.13. 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
- 4.14. the appointment of any director to executive or other office.

**5. REMUNERATION DUTIES**

The Committee shall:

- 5.1. determine and agree with the Board the overall policy for the remuneration of the Company's executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the Board;
- 5.2. in determining such policy, take into account such factors that it deems necessary. The objective of such policy shall be to encourage retention and recruitment of executives of the appropriate calibre, to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- 5.3. when setting remuneration policy for executive directors, review and have regard to pay and employment conditions across the company or group, especially when determining annual salary increases;
- 5.4. review the on-going appropriateness and relevance of the remuneration policy;
- 5.5. obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board;
- 5.6. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 5.7. determine targets for any performance related pay schemes operated by the Company;
- 5.8. within the terms of the agreed policy, determine the total individual remuneration packages of each executive manager including, where appropriate, bonuses, incentive payments and share options;
- 5.9. determine the policy for and scope of pension arrangements, service agreements for the executive management team, termination payments and compensation commitments;
- 5.10. in determining such packages and arrangements, give due regard to the comments and recommendations of the UK Corporate Governance Code as well as the Stock Exchange Listing rules and associated guidance;
- 5.11. ensure the 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;
- 5.12. oversee any major changes in employee benefit structures throughout the Company or group;
- 5.13. agree the policy for authorising claims for expenses from the directors;
- 5.14. consider each year whether circumstances are such that the shareholders at the Annual General Meeting should be invited to approve the remuneration policy which has been set out in the Company's annual report and accounts;
- 5.15. ensure that the Chairman of the Committee or, in their absence, an appointed deputy attends the Company's AGM to answer shareholders' questions about directors' remuneration

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**6. REPORTING RESPONSIBILITIES**

- 6.1. The Committee Chairman shall report to the Board on all matters within the Committee’s duties and responsibilities.
- 6.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 6.3. The Committee shall produce a report to be included in the Company’s annual report about its activities.
- 6.4. Through the chairman of the Board, the committee shall ensure that the Company maintains contact as required with its principle shareholders about remuneration.

**7. OTHER MATTERS**

The Committee shall:

- 7.1. have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required;
- 7.2. 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;
- 7.3. give due consideration to laws and regulations, the provisions of the good governance recommendations and applicable rules, as appropriate; and
- 7.4. arrange for periodic reviews of its own performance and regularly 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.

**8. AUTHORITY**

- 8.1. The Committee is authorised by the Board to obtain, at the Company’s expense, outside legal or other professional advice on any matters within its terms of reference.
- 8.2. The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.