

ECO BUILDINGS GROUP PLC

REMUNERATION COMMITTEE - TERMS OF REFERENCE

The remuneration committee of the Company (the Remuneration Committee) has been established as a board committee in accordance with the Company's articles of association by resolution of the board of directors (the Board) passed on 2022.

1. Purpose

- 1.1. The Remuneration Committee is appointed by the Board to assist the Board in setting executive director and senior officer (being those persons described at paragraphs 9.2.1 and 9.2.2 below) remuneration and to develop and submit to the Board recommendations with respect to other employee benefits considered advisable. The Remuneration Committee will be guided by the following principles:
- 1.2. to offer competitive remuneration to attract, retain and motivate qualified executives in order for the Company to achieve the strategic plan and budgets approved by the Board; and
- 1.3. to act in the interests of the Company by being financially responsible.

2. Membership

- 2.1. The Remuneration Committee shall comprise of at least two members, at least half of whom shall be independent non-executive directors.
- 2.2. The Board shall appoint the chairperson of the Remuneration Committee (the Chairperson) who shall be an independent non-executive director or the chairperson of the Board if the independent non-executive directors have not previously served on a remuneration committee.
- 2.3. The first members of the Remuneration Committee shall be Sir Mark Lyall Grant (who will act as Chairperson) and Andrew Allner, Dominic Redfern and Ahmet Shala.
- 2.4. In the absence of the Chairperson and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The chairperson of the Board may also serve on the Remuneration Committee as an additional member if he or she was considered independent on appointment as chairperson of the Board. Members of the Remuneration Committee shall be appointed by the Board, and in consultation with the Chairperson.
- 2.5. Only members of the Remuneration Committee have the right to attend Remuneration Committee meetings. However, other individuals such as the chief executive officer, the head of human resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 2.6. Appointments to the Remuneration Committee shall be for a period of up to three (3) years, which may be extended for further periods of up to three years, provided the appointee still meets the criteria for membership of the Remuneration Committee.
- 2.7. The Remuneration Committee shall meet all applicable securities laws, instruments, rules and policies and regulatory requirements (collectively Applicable Laws), including relating to independence within the meaning of Applicable Laws.

3. Secretary

- 3.1. The Company Secretary or their nominee shall act as the Secretary of the Remuneration Committee and will ensure that the Remuneration Committee receives information and papers in a timely manner to enable full and proper consideration to be given to all issues.

4. Quorum

- 4.1. The quorum necessary for the transaction of business shall be any two (2) members. A duly convened meeting of the Remuneration 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 Committee.

5. Meetings

- 5.1. The Remuneration Committee shall meet at least twice a year and otherwise as required at the discretion of the Chairperson or a majority of the members or as may be required by Applicable Laws. Meetings of the Remuneration Committee may be held by conference telephone.
- 5.2. Notwithstanding the quorum requirements for the Remuneration Committee, all members of the Remuneration Committee should endeavour to attend all meetings of the Remuneration Committee at which matters of general remuneration policy or the contents of the Remuneration Committee's annual report to shareholders are discussed.
- 5.3. The Remuneration Committee should hold an in camera session (meaning a closed session in which sensitive matters are discussed) without any senior officers present at each meeting.
- 5.4. The Remuneration Committee shall report through the Chairperson its determinations and recommendations to the Board.
6. Notice of Meetings
 - 6.1. Meetings of the Remuneration Committee shall be called by the Secretary of the Remuneration Committee at the request of the Chairperson.
 - 6.2. Unless otherwise agreed by consent of all members in writing, 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 Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Remuneration Committee members, and to other attendees as appropriate, at the same time.
7. Minutes of Meetings
 - 7.1. The Secretary shall minute the proceedings and resolutions of all Remuneration Committee meetings, including the names of those present and in attendance.
 - 7.2. Draft minutes of Remuneration Committee meetings shall be circulated promptly to all members of the Remuneration Committee for their comments. Once approved, minutes should be circulated to all members of the Board, unless it would be inappropriate to do so.
8. Annual General Meeting
 - 8.1. The Chairperson should attend the Annual General Meeting (AGM) and be prepared to respond to any shareholder questions on the Remuneration Committee's activities.
9. Duties
 - 9.1. The Remuneration Committee should carry out the duties below for the Company, any parent company, major subsidiary undertakings and the group as a whole, as appropriate.
 - 9.2. The Remuneration Committee shall:
 - 9.2.1. determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chief Executive Officer (CEO), the chairperson of the Board or any executive director (collectively the Senior Executives) and all other executive directors, the Company Secretary and such other members of the executive management as it is designated by the Board to consider. No director, officer or manager shall be involved in any decisions as to their own remuneration;
 - 9.2.2. recommend and monitor the level and structure of remuneration for senior management (as determined by the Board);
 - 9.2.3. in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be 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 long-term success of the Company;
 - 9.2.4. when setting the remuneration policy for directors (in particular in respect of annual salary increases), review and have regard to the remuneration trends across the Company or group;
 - 9.2.5. review the ongoing appropriateness and relevance of the remuneration policy;

- 9.2.6. within the terms of the agreed policy and in consultation with the chairperson of the Board and/or CEO, as appropriate, annually reviewing and recommending the total individual remuneration package of the Senior Executives, directors and other officers of the Company, including bonuses, incentive payments and share options or other share awards;
- 9.2.7. review and approve corporate goals and objectives relevant to CEO remuneration, evaluate the CEO's performance in light of those corporate goals and objectives, and determine the CEO's remuneration level based on this evaluation;
- 9.2.8. obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the Remuneration Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board;
- 9.2.9. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee;
- 9.2.10. 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;
- 9.2.11. review, and make a recommendation to the Board with respect to, any share ownership guidelines applicable to Senior Executives and directors and review the shareholdings of the Senior Executives and directors based on such guidelines established from time to time;
- 9.2.12. review the design of all equity-based incentive plans for approval by the Board and shareholders. 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 Senior Executives, executive directors and other designated officers, and the performance targets to be used;
- 9.2.13. determine the policy for, and scope of, pension arrangements for each Senior Executive, executive director and designated officers;
- 9.2.14. ensure that 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;
- 9.2.15. oversee any major changes in employee benefits structures throughout the Company or group;
- 9.2.16. review, and make a recommendation to the Board with respect to, any disclosure related to executive remuneration included in any public disclosure document, including any management information circular of the Company for any meeting of the shareholders of the Company and review and approve the report on executive remuneration required by Applicable Laws to be included in any public disclosure document, including any management information circular of the Company;
- 9.2.17. agree the policy for authorising claims for expenses from the directors; and
- 9.2.18. work and liaise as necessary with all other Board committees.

10. Reporting Responsibilities

- 10.1. The Chairperson shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2. The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3. The Remuneration Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's annual report and ensure each year that it is put to shareholders for approval at the AGM. If the Remuneration 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.

- 10.4. Through the chairperson of the Board, the Remuneration Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.
11. Other
 - 11.1. The Remuneration Committee shall:
 - 11.2. have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
 - 11.3. 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;
 - 11.4. at all times give due consideration to the provisions and recommendations in the Quoted Companies Alliance (QCA) Corporate Governance Code, the QCA's Remuneration Committee Guide for Smaller Quoted Companies and the requirements of the AIM Rules for Companies, the Disclosure Guidance and Transparency Rules and any other Applicable Laws, as appropriate; and
 - 11.5. 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.
 12. CHAIRPERSON
 - 12.1. The Chairperson should:
 - 12.2. provide leadership to the Remuneration Committee and oversee the functioning of the Remuneration Committee;
 - 12.3. chair meetings of the Remuneration Committee, unless not present, including in camera sessions, and report to the Board following each meeting of the Remuneration Committee on the activities, and any recommendations and decisions, of the Remuneration Committee and otherwise at such times and in such manner as the Chairperson considers advisable;
 - 12.4. ensure that the Remuneration Committee meets at least twice per financial year of the Company and otherwise as is considered advisable;
 - 12.5. in consultation with the chairperson of the Board and the members, establish dates for holding meetings of the Remuneration Committee;
 - 12.6. set the agenda for each meeting of the Remuneration Committee with input from other members, the chairperson of the Board and any other appropriate individuals;
 - 12.7. ensure that Remuneration Committee materials are available to any director upon request;
 - 12.8. act as liaison and maintain communication with the chairperson of the Board and the Board to co-ordinate input from the Board and to optimise the effectiveness of the Remuneration Committee;
 - 12.9. report annually to the Board on the role of the Remuneration Committee and the effectiveness of the Remuneration Committee in contributing to the effectiveness of the Board;
 - 12.10. assist the members of the Remuneration Committee to understand and comply with the responsibilities contained in these terms of reference;
 - 12.11. foster ethical and responsible decision making by the Remuneration Committee;
 - 12.12. together with the nomination committee, oversee the structure, composition and membership of, and activities delegated to, the Remuneration Committee from time to time;
 - 12.13. ensure appropriate information is provided to the Remuneration Committee by the Senior Executives to enable the Remuneration Committee to function effectively and comply with the responsibilities contained in these terms of reference;
 - 12.14. ensure that appropriate resources and expertise are available to the Remuneration Committee;
 - 12.15. ensure that the Remuneration Committee considers whether any independent counsel or other experts or outside advisors retained by the Remuneration Committee are appropriately qualified and independent in accordance with Applicable Laws;

- 12.16. facilitate effective communication between the members of the Remuneration Committee and the Senior Executives;
- 12.17. attend, or arrange for another member of the Remuneration Committee to attend, each meeting of the shareholders of the Company to respond to any questions from shareholders which may be asked of the Remuneration Committee; and
- 12.18. perform such other duties as may be delegated to the Chairperson by the Remuneration Committee or the Board from time to time.

13. AUTHORITY

- 13.1. The Remuneration 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.