

Cello Health plc

Remuneration Committee

Terms of Reference

1. Membership

- 1.1. The Committee shall comprise of at least two members, each of whom shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee. Appointments shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members continue to be independent.
- 1.2. All members of the Committee shall be non-executive directors who are independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgment. The Chairman of the Board may also serve on the Committee as an additional member if he or she was considered independent at the time of his or her appointment as Chairman.
- 1.3. The Board should appoint the Committee Chairman and determine the period for which they shall hold office. In the absence of the Committee Chairman, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Board shall not be the Chairman of the Committee.
- 1.4. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive and external advisers may be invited to attend for part or all of any meeting, as and when appropriate.

2. Secretary

- 2.1. The Company Secretary or their nominee shall act as the Secretary of the Committee.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two members. 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.

4. Frequency of Meetings

- 4.1. The Committee shall meet not less than twice a year and at such other times as the Chairman of the Committee shall require.

5. Notice of Meetings

- 5.1. The Secretary of the Committee shall summon meetings of the Committee at the request of any member thereof.
- 5.2. 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 Committee, any other person required to attend and all other non-executive directors, no fewer than 5 working days prior to the date of the meeting
- 5.3. Supporting papers shall be sent to the Committee members and to other attendees as appropriate at the same time.

6. Minutes of Meetings

- 6.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance.
- 6.2. Minutes of Committee meetings shall be circulated to all members of the Committee and once agreed, to all members of the Board unless a conflict of interest exists.

7. Annual General Meeting

- 7.1. The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

The Committee shall:

- 8.1. Have responsibility for setting the remuneration policy for all executive directors and the company's chairman, including pension rights and any compensation payments. The Board itself should determine the remuneration of the non-executive directors. No director or senior manager shall be involved in any decisions as to their own remuneration.
- 8.2. Recommend and monitor the level and structure of remuneration for senior management.
- 8.3. In determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the rules of AIM as laid down by the London Stock Exchange and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the company and alignment to the company's long strategic term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the company.
- 8.4. When setting remuneration policy for directors, review and have regard to pay and employment conditions across the company or group, especially when determining annual salary increases.
- 8.5. Review the ongoing appropriateness and relevance of the remuneration policy.
- 8.6. Within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive, as appropriate, determine the total individual remuneration package of each executive director, the company chairman and other designated senior executives including bonuses, incentive payments and share options or other share awards.
- 8.7. 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.
- 8.8. Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 8.9. 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.
- 8.10. Review the design of all share 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 executive directors, company secretary and other designated senior executives and the performance targets to be used.

8.11 Determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives.

8.12 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.

8.13 Oversee any major changes in employee benefits structures throughout the company or group.

8.14 Agree the policy for authorising claims for expenses from the directors.

8.15 Work and liaise as necessary with all other board committees.

9. Reporting Responsibilities

- 9.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required.
- 9.3. The Committee shall compile a report to shareholders on its activities to be included in Cello Health plc's Annual Report.
- 9.4. Through the Chairman of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

10. Other Matters

- 10.1. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
- 10.2. 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.
- 10.3. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating in the most effective manner. Where improvements can be identified, the Committee should make recommendations for approval by the Board.

11. Authority

- 11.1. 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.
- 11.2. Although the Committee can seek the advice and assistance of any of the Company's executives, it needs to ensure that this role is clearly separated from their role within the business.
- 11.3. In connection with its duties 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. Before such advice is sought and the associated costs incurred, the Committee is required to inform the Chairman.