

# **Acuity VCT Plc**

## **Remuneration Committee**

### **Terms of Reference**

**Revised April 2008**

References to “the Committee” shall mean the Remuneration Committee  
References to “the Board” shall mean the Board of Directors  
References to “independent non-executive directors” shall mean deemed independent by the Board

#### **1 Membership**

- 1.1 Members of the Committee shall be appointed by the Board. The Committee shall be made up of at least three members, all of whom are independent non-executive directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as senior executives of Acuity Capital Management Limited and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for further three-year periods, provided the director remains independent.
- 1.4 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/ or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

#### **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. 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 Meetings**

- 4.1 The Committee shall meet as necessary at such times as the Chairman of the Committee shall require.

## **5 Notice of Meetings**

5.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.

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 and any other person required to attend no later than three working days before the date of the meeting. Supporting papers shall be sent to 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 Committee meetings, including the names of those present and in attendance.

6.2 Minutes of Committee meetings shall be circulated promptly 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 determine and agree with the Board the framework or broad policy for the remuneration of the company's Chairman and the other directors. No director shall be involved in any decisions regarding their own remuneration;

8.2 review the ongoing appropriateness and relevance of the remuneration policy;

8.3 in determining remuneration policy, give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code and the UK Listing Authority's Listing Rules and associated guidance;

8.4 ensure that all provisions regarding disclosure of remuneration as set out in the Directors' Remuneration Report Regulations 2002 and the Combined Code are fulfilled; and

8.5 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee, and obtaining 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.

## **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 needed.
- 9.3 The Committee shall produce an annual report on 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.

## **10 Authority**

- 10.1 The Committee is authorised by the Board to seek any information it requires in order to perform its duties.
- 10.2 In connection with its duties, the Committee is authorised by the Board to obtain, at the company's expense, any outside legal or other professional advice.