
Remuneration Committee Charter

Etherstack plc (UK Registered Company No 7951056)

Adopted by the board on 4 November 2019

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1 Purpose and authority

The Remuneration Committee (**Committee**) is established to review and make recommendations to the Etherstack plc (UK Registered Company No 7951056) (**Company**) board (**Board**) on the following matters:

(a) **Board Remuneration and Management Succession**

- (i) the remuneration of non-executive directors within the aggregate amount approved by shareholders;
- (ii) the remuneration packages of the chief executive officer, senior management and executive directors, which should reflect a balance between fixed and incentive pay, including short term and long term incentive strategies, performance targets and bonus payments;
- (iii) remuneration arrangements for the Chair and the non-executive directors of the Board within the aggregate amount approved by shareholders;
- (iv) ensuring there is a current written agreement with each director and senior executive setting out the terms of their appointment
- (v) remuneration by gender;
- (vi) in respect of the Company's employee equity incentive plans in place from time to time:
 - (A) the performance hurdles applicable to the senior management and executive directors;
 - (B) the proposed terms of, and making of, offers to eligible employees of the Company, including determining the eligibility criteria applying in respect of an offer, in respect of a financial year;
 - (C) amendments to the terms of existing plans within the parameters of the plans;
 - (D) the terms of any trust deed applying in relation to the plans and of any amendment to such trust deed;
 - (E) the administration and operation of the plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the various plans; and
 - (F) remuneration incentive policies and guidelines for senior management and senior employees;
- (vii) the aspects of the Company's remuneration policies and packages, including equity based incentives, which should be subject to shareholder approval;
- (viii) superannuation arrangements;
- (ix) guidelines for employee share acquisition plans;
- (x) recruitment, retention and termination policies and procedures for senior management;

- (xi) effective induction programs;
- (xii) guidelines for management development;
- (xiii) review of management succession and development plans;
- (xiv) to perform any other tasks referred to the Committee by the Board or the managing director;
- (xv) in making its recommendations, the Committee's objectives are to ensure that:
 - (A) the Company attracts and retains high quality employees, senior management and directors who are able to achieve above average performance;
 - (B) there is a clear relationship between performance of key members of senior management and their remuneration;
 - (C) remuneration is fair and equitable and managed within an appropriate framework;
 - (D) no individual is directly involved in deciding his/her remuneration; and
 - (E) proper regard is paid to the interests of shareholders; and

(b) **Authority**

The Committee is a committee of the Board established in accordance with the Company's constitution and the Board Charter and authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this charter and granted to it under any separate resolutions of the Board from time to time.

2 Membership

- (a) The membership of the Committee is made up of members of the Board, a majority of whom are to be independent of management and the Company (as determined in accordance with the Company's Board Charter), consisting of:
 - (i) the Company's Chair; and
 - (ii) at least one other non-executive directors.
- (b) The chief executive officer may attend by invitation. The Committee may seek input from senior management on remuneration policies, but no member of senior management should be directly involved in deciding their own remuneration.
- (c) Members of the Committee will be appointed for an initial three year term with members generally being eligible for re-appointment for so long as they satisfy the criteria set out in (a) above. However, the appointment and removal of Committee members shall be the responsibility of the Board.
- (d) Members of the Committee may resign by giving reasonable notice in writing to the Chair.
- (e) If a Committee member ceases to be a director their appointment as a member of the Committee is automatically terminated with immediate effect.

3 Meetings and Resources

- (a) The Chair will convene meetings of the Committee as necessary. The Chair must call a meeting of the Committee if so requested by any Committee member, or the company secretary.
- (b) Notice of every meeting of the Committee must be given to each member's advised address for service of notice (or such other pre-notified interim address where relevant) and the notice must include an agenda of the items to be discussed.
- (c) The quorum necessary for a meeting of the Committee shall be two members, of whom at least one must be an independent director.
- (d) In the absence of the Chair, the Committee members must elect one of their number as the Chair for that meeting.
- (e) The Committee will determine its own procedures.
- (f) Minutes of the Committee meetings must be signed by the Chair and entered into a minute book maintained for that purpose which will be open at all times for inspection by any director.
- (g) The Committee may request the human resources manager or Company Secretary to provide any information or carry out any task that may be necessary to enable the Committee properly to carry out its functions and meet its objectives.
- (h) The Committee may seek advice from external consultants to enable the Committee to properly carry out its functions and meet its objectives.
- (i) The Committee must obtain approval from the Chair before obtaining advice from external consultants.

4 Reporting

- (a) The Chair must report the findings and recommendations of the Committee to the Board at the next Board meeting following each meeting of the Committee.
- (b) The minutes of all Committee meetings will be circulated to members of the Board by the company secretary.
- (c) The Chair must submit an annual report to the Board summarising the Committee's significant results and findings within two months after each financial year end.
- (d) The Committee must approve:
 - (i) the details to be published in the Company's annual report or any other statutory report or document with respect to the activities and responsibilities of the Committee (unless such responsibility is assumed by the full board); and
 - (ii) any statement on the Company's remuneration policy and executive compensation disclosure that may be required by law or other regulatory requirement (including any such statement to be included in the Company's annual report).

5 Review

The Board will, at least once in each year, review the membership and charter of the Committee to determine their adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership responsibilities, functions and otherwise.