

**Gama Aviation Pie  
(the Company)**

**TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE**

In these Terms of Reference the following terms shall have the following meanings:

**Board** shall mean the Board of Directors of the Company;

**Committee** shall mean the Remuneration Committee of the Company; and

**Nomination Committee** shall mean the Nomination Committee of the Company.

## **1 Introduction**

- 1.1 These Terms of Reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee and to assist the Committee in achieving best practice in corporate governance for the Company.
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these Terms of Reference.
- 1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

## **2 Membership and Attendance**

- 2.1 The Committee shall be appointed by the Board on the recommendation of the Company's Nomination Committee in consultation with the chairman of the Committee (other than in respect of the initial members of the Committee as set out in paragraph 2.2 below) from amongst the directors of the Company and shall be made up of at least three members, each of whom shall be independent non-executive directors of the Company. In addition, the chairman of the Board may be appointed by the Board as an additional member of the Committee if he or she was considered independent on appointment as chairman.
- 2.2 The initial members of the Committee shall be Christopher Clarke (Chairman), Simon To, and Michael Howell.
- 2.3 The Board shall appoint the Committee chairman who shall be an independent non-executive director and who shall have served on the remuneration committee of another company for at least 12 months prior to appointment. The first chairman of the Committee shall be Christopher Clarke. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of their number who would qualify under these Terms of

Reference to be appointed to that position by the Board to chair any meeting of the Committee. The chairman of the Board shall not be eligible to be appointed as chairman of the Committee.

- 2.4 Only members of the Committee shall have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer of the Company, Chief Operating Officer of the Company, the Company's head of human resources, external advisers of the Company or others as the members of the Committee may determine from time to time may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 2.5 No member of the Board (or of the Committee) shall attend meetings of the Committee where his or her own remuneration arrangements are determined.
- 2.6 Members of the Committee shall be appointed by the Board for a period of up to two years. Such appointment may then be extended by no more than two further periods of up to two years provided the Director continues to meet the criteria for membership of the Committee.

### **3 Secretary**

- 3.1 The Company secretary or his/her nominee shall act as the secretary of the Committee (**Secretary**) and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 3.2 The Secretary shall also act as a co-ordinating intermediary between the Board and the Committee.

### **4 Quorum**

- 4.1 The quorum necessary for the transaction of business shall be two members, present in person or by audio or video conference or such other electronic facility as provides an electronic means of attendance and participation in the meeting. 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.

### **5 Frequency of Meetings**

The Committee shall meet at least twice a year and at such other times as the chairman of the Committee shall require. Meetings should be organised so that attendance is maximised. The Committee shall meet at least once close to the year end for the purposes of reviewing the directors' remuneration report prior to the Company's Annual General Meeting.

## **6 Notice of Meetings and Proceedings at Meetings**

- 6.1 Meetings of the Committee shall be summoned by the Secretary at the request of the chairman of the Committee or any member of the Committee.
- 6.2 Unless otherwise agreed by all members of the Committee, 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 of the Company, no fewer than five days prior to the date of the meeting but Committee papers may be forwarded at shorter notice with the approval of the Committee chairman. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
- 6.3 Meetings of the Committee may be conducted when the members are physically present or in the form of video or audio conferences or some other electronic means enabling attendance and participation in the meeting.
- 6.4 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.
- 6.5 Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person, by audio or video conference or by some other electronic means enabling attendance and participation in the meeting).
- 6.6 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 6.7 Except where he has a personal interest, the Committee chairman shall have a casting vote.
- 6.8 The Committee chairman may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

## **7 Minutes of Meetings**

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings (including the names of those present and in attendance) and shall ensure the Committee is properly constituted and advised.
- 7.2 The Secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once approved, to all other members of the Board unless, in the opinion of the Committee chairman, it would be inappropriate to do so.

## **8 Annual General Meeting**

The chairman of the Committee shall attend the Company's Annual General Meeting to answer any shareholder questions on the Committee's activities.

## **9 Duties**

9.1 The role of the Committee is to assist the Board to fulfil its responsibility to shareholders to ensure that the remuneration policy and practices of the Company are designed to support strategy and promote long-term sustainable success, with executive and senior management's remuneration being aligned to the Company's purpose and strategy and with a clear link to the successful delivery of the Company's long-term strategy, having regard to statutory and regulatory requirements.

9.2 In particular the Committee shall consider:

- (a) remuneration policies, including base pay, long and short term incentives;
- (b) remuneration practice and its cost to the Company;
- (c) recruitment, service contracts and severance policies;
- (d) pension and superannuation arrangements and all other contractual benefits; and
- (e) the engagement and independence of external remuneration advisers.

9.3 The Committee's members shall exercise independent judgement and discretion when authorising remuneration outcomes taking into account of the Company's and individual performance as well as wider circumstances. Committee members shall also exercise independent judgement when evaluating the advice of external third parties and when receiving views from executive directors and senior management.

9.4 The Committee shall, in conducting all of its duties in accordance with these Terms of Reference, act in a way it considers in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, the Committee must have regard (among other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees;

- (c) the need to foster the Company's business relationships with suppliers, customers and others;
  - (d) the impact of the Company's operations on the community and the environment;
  - (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
  - (f) the need to act fairly as between the members of the Company.
- 9.5 The Committee shall not decide upon the remuneration of the non-executive directors, which shall be decided upon by the Board in accordance with the limits set out in the constitutional documents of the Company.
- 9.6 The Committee shall, in determining the Company's remuneration policy and practices, ensure the following:
- (a) the Company's remuneration arrangements are transparent, and promote effective engagement with shareholders and the workforce;
  - (b) the Company's remuneration structures avoid complexity and their rationale and operation should be easy to understand;
  - (c) the Company's remuneration arrangements identify and mitigate any reputational and other risks from excessive rewards and behavioural risks that can arise from target-based incentive plans;
  - (d) the range of possible values of rewards to individual directors and any other limits or discretions are identified and explained at the time the remuneration policy is approved;
  - (e) the link between individual awards, the delivery of strategy and the long-term performance of the company is made clear, with outcomes not rewarding poor performance; and
  - (f) incentive schemes drive behaviours consistent with the purpose, values and strategy of the Company.
- 9.7 The Committee shall:
- (a) determine and agree with the Board the framework or broad policy for the remuneration of the Chief Executive Officer of the Company, the chairman of the Board (if the chairman is an executive director), the executive directors, the Company secretary, and such other members of the executive management of the Company to whom the Board has

extended the remit of the Committee. No director or manager shall be involved in any decisions as to his or her own remuneration;

- (b) in determining the remuneration policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements. The objective of such a policy shall be to promote the long-term sustainable success of the Company and support strategy, having regard to the views of shareholders, and other stakeholders and ensuring that directors and senior executives are rewarded in a fair and responsible manner, in line with the Company's purpose and values, and are provided with appropriate incentives linked to the successful delivery of the Company's long-term strategy;
- (c) seek to achieve an appropriate balance between fixed and performance-related remuneration, immediate and deferred remuneration and the performance-related elements of the executive directors' remuneration shall be transparent, stretching and rigorously applied. The remuneration policy shall have regard to the risk appetite of the Company and the alignment to the Company's long-term strategic goals as well as to the business strategy of the Company and remuneration schemes should promote long-term shareholdings by executive directors that support alignment with long-term shareholder interests;
- (d) when setting the remuneration policy for directors, review and have regard to workforce remuneration and related policies and employment conditions across the Company ensuring that incentives and rewards are aligned with the Company's culture;
- (e) ensure that remuneration schemes and policies enable the use of discretion to override formulaic outcomes so that provisions are included which enable the Company to recover and/or withhold sums or share awards in specified circumstances in which it would be appropriate to do so;
- (f) review at least annually the ongoing appropriateness and relevance of the remuneration policy;
- (g) within the terms of the agreed policy and in consultation with the chairman of the Board and/or the Chief Executive Officer of the Company as appropriate, determine the total individual remuneration package of the chairman of the Board, each executive director, the Company secretary and other designated senior executives including bonuses and benefits in cash or in kind, base salary, pension arrangements, incentive payments and share options or other share awards;
- (h) obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations, the Committee shall have full authority to appoint remuneration

consultants and to commission or purchase any reports, or surveys or information which it deems necessary, within any budgetary restraints posed by the Board;

- (i) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference that any remuneration consultants who advise the Committee;
- U) 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;
- (k) 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, the Company secretary and other designated senior executives and their performance targets to be used;
- (l) develop a formal policy for post-employment shareholding requirements encompassing both vested and unvested shares;
- (m) monitor and assess any performance conditions applicable to any long term incentive awards granted under any schemes adopted by the Company, ensure that the performance conditions are fully explained and clearly linked to the enhancement of shareholder value and consider whether any factors should be taken into account which would make an alternative outcome more appropriate and aligned to the interests of shareholders;
- (n) consider whether the directors, senior executives and senior management should be eligible for annual bonuses. Bonuses shall be used to reward a contribution to the business which exceeds the level expected;
- (o) in relation to any bonus scheme operated by the Company, determine annual targets and key performance indicators for, and assess performance against targets and key performance indicators, by the Company, individual executive directors and other senior executives;
- (p) determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives, ensuring that pension contribution rates for such directors and senior executives are aligned with those available to the Company's workforce, and keep under review the pension consequences and associated costs to the Company of basic salary increases and any other changes in pensionable remuneration or contribution rates. Consider these in comparison to workforce arrangements in relation to pension arrangements;

- (q) approve the terms of the service contracts, the duration of which shall not normally exceed six months' notice period, for executive directors, senior executives, senior management and any material amendments to those contracts;
- (r) ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that poor performance is not rewarded and that the duty to mitigate loss is fully recognised;
- (s) oversee any major changes in employee benefits structures throughout the Company;
- (t) agree the policy for authorising claims for expenses from the directors,
- (u) not authorise any payment or proposed payment to any existing, proposed or previous executive director or chairman that the Committee does not honestly and reasonably believe is consistent with the remuneration policy most recently approved by shareholders;
- (v) agree share ownership guidelines for executive directors;
- (w) give guidance to the executive management in setting the levels of remuneration for the Company;
- (x) address any appropriate structural changes that need to be made to the remuneration policy in light of changes to the relevant taxation legislation i.e., pensions taxation;
- (y) ensure that performance related elements of remuneration form a proportion of the total remuneration package;
- (z) work with the Company's Audit Committee in evaluating performance criteria;
- (aa) use a consistent approach to performance measurement and explain in the remuneration report how this is achieved;
- (bb) ensure that variable and share-based remuneration is not payable unless the performance measurement governing it is robust. The Committee shall also satisfy itself as to the accuracy of recorded performance measures that govern vesting of such remuneration;
- (cc) determine the policy for, and scope of, pension arrangements for each executive director and other senior executives /senior management;
- (dd) review and consider all executive and management compensation agreements to ensure that they are reasonable and in the best interests of the Company, taking into consideration the financial circumstances of the Company;

- (ee) be aware of and oversee any major changes in employee benefit structures throughout the Company;
- (ff) work closely with the Nomination Committee in relation to the remuneration to be offered to any new executive director; and
- (gg) determine the remuneration of the Company secretary.

## **10 Reporting Responsibilities**

- 10.1 The Committee chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all meetings shall be available upon request.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall report annually to shareholders on matters relating to executive remuneration. In preparing the report, the Committee shall include:
  - (a) An annual statement by the Committee's chairman.
  - (b) The directors' remuneration policy.
  - (c) An annual report on directors' remuneration.
- 10.4 The directors' remuneration policy and the annual report on directors' remuneration should include the information required to be disclosed by the Companies Act 2006 (including any regulations made under that Act), the AIM Rules for Companies and any other relevant statutory, regulatory or governance codes.
- 10.5 The Committee shall submit the directors' remuneration policy for approval by the Board and shareholders:
  - (a) every three years;
  - (b) in any year in which there is a change to the policy;
  - (c) if shareholder approval was not obtained when last submitted; and
  - (d) if majority shareholder approval was not achieved on the last submitted annual remuneration report.
- 10.6 The Committee shall submit the annual report on directors' remuneration for approval on an advisory basis by the Board and shareholders at the annual general meeting each year.

## 11 Other matters

- 11.1 The Committee shall:
- (a) monitor and review the level and structure of remuneration of senior management in the context of the pay policy of the Group as a whole, pay and conditions elsewhere in the Group, and the overall cost to shareholders;
  - (b) keep abreast of external remuneration trends and market conditions including receiving an annual presentation from its external remuneration consultants;
  - (c) exercise any discretion or judgement on remuneration issues in accordance with the remuneration policy;
  - (d) consider such other matters as are referred to the Committee by the Board; and
  - (e) work and liaise as necessary with all other Board committees.
- 11.2 If the Company appoints remuneration consultants to advise it, the annual report shall identify such consultants and the Committee shall make available a statement of whether or not such remuneration consultants have any other connection with the Company or any individual members of the Board.
- 11.3 Through the chairman of the Board, the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.
- 11.4 The Committee shall arrange for periodic reviews of its own performance and shall, at least once a year, review its constitution and these Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 11.5 The Committee chairman shall, in conjunction with the Nominations Committee, review membership of the committee as part of the annual performance evaluation of the committee, taking into account the tenure served by committee members.
- 11.6 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.
- 11.7 The Committee should 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.
- 11.8 The Committee shall give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the AIM Rules for Companies and any other applicable rules, as appropriate.

## 12 Authority

- 12.1 The Committee is authorised to investigate any activity within its Terms of Reference and seek any information it requires from any employee of the Company in order to perform its duties. All employees are directed to cooperate with any request made by the Committee.
- 12.2 The Committee is authorised by the Board to:
- (a) obtain, at the Company's expense, outside legal or professional advice on any matters within its Terms of Reference;
  - (b) carry out all duties set out in these Terms of Reference, to have unrestricted access to the Company's documents and information; and
  - (c) secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.

## 13 Procedure

- 13.1 Subject to the constitutional documents of the Company, the Committee shall determine its own procedures.

Dated May 2019

Signed by: .....

A handwritten signature in black ink, appearing to be 'A. A. A.', written over a dotted line.