

# **UNICORN AIM VCT PLC**

## **NOMINATIONS AND REMUNERATION COMMITTEE Terms of Reference**

### **Constitution**

The Board has resolved to establish a committee of the Board to be known as the Nominations and Remuneration Committee.

### **Membership**

The Committee shall be appointed by the Board and shall comprise at least two independent non-executive directors.

A quorum shall be two members.

The Chairman of the Committee shall be appointed by the Board.

The Committee shall have the power to co-opt such other non-executive Directors of the Board as it may from time to time determine.

The Company Secretary shall be the Secretary of the Committee.

### **Frequency of Meetings**

Meetings shall be held at least once a year and at such other times as the Chairman of the Committee require. The external auditors may request a meeting if they consider one necessary.

### **Authority**

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek such information which is deemed necessary to fulfil their duties.

The Committee is entitled by the Board to obtain outside legal advice and to ensure the attendance of outsiders with relevant experience and expertise if it considers it necessary.

### **Duties**

The duties of the Committee shall be to make recommendations to the Board concerning:

### ***Nominations***

- (a) the appointment of the chairman and non-executive directors to the Board and preparation of job specifications for each appointment, as appropriate;
- (b) preparation of letters of appointment to set out the expected time commitment of the non-executive directors;
- (c) induction of new Directors;
- (d) Board composition and succession planning, with reference to the number on the Board and balance of the Board in terms of age and range of skills of the Board members;
- (e) periodic review of the constitution of the Board;
- (f) the re-election by shareholders of any Director under the 'retirement by rotation' provisions in the Company's Articles of Association;
- (g) the continuation or otherwise in service of any Director who has reached the age of 70;
- (h) nomination of Directors to Board committees; and
- (i) issues or potential issues arising where a conflict of interest could be foreseen as a result of the outside business activities of Board members, taking particular care when other non-executive directors are advising or supporting the Committee.

### **Remuneration**

- (j) the levels and make-up of remuneration which are sufficient to attract, retain and motivate directors of the quality required which are needed to run the Company successfully;
- (k) the structuring of a proportion of directors pay to reward corporate and individual performance if appropriate; and
- (l) the development of a procedure for fixing remuneration packages to ensure that no Director is involved in deciding his or her own remuneration.

### **Reporting Procedures**

The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.

The Company's Annual Report shall contain:

- (i) A description of the work of the Committee;
- (ii) A statement of remuneration policy and details of the remuneration of each director.
- (iii) A description of the process the Committee had adopted in relation to new appointments to the Board; and
- (iv) Where external consultants are appointed an explanation should be provided including a statement on whether they have any other connection with the Company.

**Publication of these terms of reference**

Copies of these terms of reference shall be made available to shareholders on request and published on any website to be established by the Company.

**Notes**

- 1. If at any time the Chairman of the Company becomes the Chairman of the Nominations and Remuneration Committee, the Chairman of the Company shall not chair the meeting if it is for the purpose of appointing a successor to the Chairman of the Board.
- 2. The other significant commitments of the Chairman should be disclosed to the Board before appointment and published in the Annual Report.
- 3. The other significant commitments of the non-executive directors should be disclosed to the Board before appointment and the Board should be advised if the time commitments change.

*Approved by the Board on 19 January 2005*