

Plus⁺500

World's Trading Machine

CORPORATE GOVERNANCE

- **Terms of reference of the Audit, Remuneration, Nomination, Regulatory and Risk, Disclosure and ESG Committees**
- **Schedule of matters specifically reserved for decision by the full board**
- **Procedure for directors to take independent professional advice**

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SECTION 1
TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1 MEMBERSHIP

- 1.1 The board of directors (the "**Board**") of Plus500 Ltd (the "**Company**") has established a committee of the Board known as the Audit Committee.
- 1.2 The Audit Committee shall comprise of at least three members. Membership shall include at least one member of the Regulatory and Risk Committee. Members of the Audit Committee (other than External Directors as defined below) shall be appointed by the Board and may be removed or replaced at any time by the Board, on the recommendation of the Nomination Committee in consultation with the chair of the Audit Committee. External Directors upon their appointment in such capacity, will automatically become members and will cease to be members upon the expiry of their terms of office as External Directors or upon the occurrence of events or circumstances that will negate such member's status as an External Director. A committee member shall automatically cease to be a member of the Audit Committee upon ceasing to be a director.
- 1.3 All members of the Audit Committee shall be independent non-executive directors under the UK Corporate Governance Code (the "**Code**"), and at least one member of the Audit Committee shall have recent and relevant financial experience.
- 1.4 In accordance with Israel's Companies Law, 5759-1999 (the "**Companies Law**"):
- (a) all External Directors (within the meaning of the Companies Law) shall be members of the Audit Committee;
 - (b) a majority of the members of the Audit Committee shall be Independent Directors (within the meaning of the Companies Law); and
 - (c) the chair of the Audit Committee shall be an External Director.
- 1.5 In accordance with the Companies Law, the following persons may not serve as a member of the Audit Committee:
- (a) the chair of the Board;
 - (b) any director who provides services on an ongoing basis to, or is employed by, the Company or by the controlling shareholder of the Company or by a company under the control of such controlling shareholder;
 - (c) any director whose main source of income comes from the controlling shareholder of the Company; and
 - (d) the Company's controlling shareholder or his or her Relative (within the meaning of the Companies Law).
- 1.6 A person that is not eligible to be a member of the Audit Committee may not be present during Audit Committee meetings or votes unless the chair determines that such person is required for presentation of a matter on the agenda. If requested by the Audit Committee, a Company employee, provided he or she is not the Company's controlling shareholder or his or her Relative, may, and to the extent practicable, will be present during Audit Committee meeting (but not votes). Notwithstanding the above, if requested by the Audit Committee, the Secretary and the Company's legal

advisors, provided that each is not the Company's controlling shareholder or his or her Relative, may be present during Committee meetings and votes.

1.7 The internal and external auditors and chief financial officer will be invited to and may attend meetings of the Audit Committee on a regular basis.

1.8 Appointments to the Audit Committee shall be reviewed on an annual basis to ensure the committee member still meets the criteria for membership of the Audit Committee. No person may be a member of the Audit Committee for longer than nine years.

1.9 The Nomination Committee and the Board shall appoint the chair of the Audit Committee who shall be an External Director. In the absence of the Audit Committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

2 **SECRETARY**

The Company Secretary, or his or her nominee, shall act as the secretary of the Audit Committee and will ensure that the Audit Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3 **QUORUM**

The quorum necessary for the transaction of business shall be a majority of members present at the Audit Committee meeting, provided that:

- (a) a majority of the present members are Independent Directors; and
- (b) at least one of the members present is an External Director.

at least one of the members present has recent and relevant financial experience as required by the Code.

4 **FREQUENCY OF MEETINGS**

4.1 The Audit Committee shall meet at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

4.2 Outside of the formal meeting programme, the Audit Committee chair will maintain a dialogue with key individuals involved in the Company's governance, including the Board chair, the chief executive officer, the chief financial officer, the external audit lead partner and the head of internal audit. At least once a year, the Audit Committee may, if it so requires, meet privately with the external auditors.

5 **NOTICE OF MEETINGS**

5.1 The Audit Committee shall meet on the dates specified in the schedule circulated to the Board. In addition to any meetings specified in that schedule, meetings of the Audit Committee may be convened on an ad hoc basis by the secretary of the Audit Committee at the request of the Audit Committee chair or any of its members or at the request of the external audit lead partner or the head of the internal audit function if they consider it necessary.

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 Audit Committee, any other person required to attend and all other non-executive directors, no later than two working days before the date of the meeting. Supporting papers shall be sent to Audit Committee members and to other attendees as appropriate, at the same time.

5.3 Shorter notice and/or late submission or circulation of supporting papers will be permitted at the discretion of the chair of the Audit Committee.

5.4 Meetings may be held by video conference, telephone or by any other manner permitted by the Company's articles of association.

6 **MINUTES OF MEETINGS**

6.1 The secretary of the Audit Committee shall minute the proceedings and decisions of all Audit Committee meetings, including recording the names of those present and in attendance, as well as the existence of any conflicts of interest.

6.2 Draft minutes of Audit Committee meetings shall be circulated promptly to all members of the Audit Committee. Once approved, minutes shall be circulated to all other members of the Board and the Company Secretary unless, in exceptional circumstances, it would be inappropriate to do so.

7 **ANNUAL GENERAL MEETING**

The Audit Committee chair should attend the Company's annual general meeting to answer shareholder questions on the Audit Committee's activities.

8 **DUTIES**

The Audit Committee should carry out the duties below for the Company and, as appropriate, for its subsidiary undertakings and the group as a whole (the "**Group**").

8.1 **Financial reporting**

8.1.1 The Audit Committee shall monitor the integrity and adequacy of the financial and narrative statements of the Company, including its annual and half yearly reports, any interim management statements, and any other formal announcement relating to its financial performance, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the external auditor.

8.1.2 In particular, the Audit Committee shall review, challenge where necessary and recommend to the Board, inter alia, on the following issues:

- (a) the consistency of, and any changes to, significant accounting policies both on a year on year basis and across the Company or Group, as appropriate;
- (b) the methods used to account for significant or unusual transactions where different approaches are possible;
- (c) any significant adjustments resulting from the audit;
- (d) the going concern assumption;
- (e) whether the Company has followed applicable regulatory and legal requirements and appropriate accounting standards and made appropriate

estimates and judgements, taking into account the views of the external auditor;

- (f) the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made; and
- (g) all material information presented with the financial statements, such as the business review and the corporate governance statements relating to the audit and to risk management.

8.1.3 The Audit Committee shall discuss and provide recommendations to the Board (including a report of any deficiency found during review) with respect to the approval of the financial statements of the Company, within a reasonable time prior to the Board discussion of such recommendations and approval of the financial statements thereafter.

8.2 **Narrative reporting**

The Audit Committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

8.3 **Internal audit**

The Audit Committee shall:

- (a) approve and recommend to the Board the appointment or termination of appointment of the head of internal audit;
- (b) review and approve the charter of the internal audit function including the lines of reporting and its independence;
- (c) oversee the performance and effectiveness of the internal auditor and internal control functions, including the determination whether the internal auditor has sufficient tools and resources required for the performance of its duties, taking into account, among other, the special requirements of the Company and its size;
- (d) ensure the internal auditor has direct access to the chair of the Board and to the chair of the Audit Committee and is accountable to the Audit Committee;
- (e) review and assess the annual internal audit work plan;
- (f) receive a report on the results of the internal auditor's work on a periodic basis;
- (g) review and monitor management's responsiveness to the internal auditor's findings and recommendations; and
- (h) meet with the head of internal audit at least once a year without the presence of management.

8.4 **Compliance whistleblowing and fraud**

The Audit Committee shall:

- (a) review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Regulatory and Risk Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate following up action;
- (b) review the Company's procedures for detecting fraud;
- (c) review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance with the Company's anti-bribery policy;
- (d) review regular reports from the Chief Regulation Officer on the adequacy and effectiveness of the Company's anti-money laundering systems and controls;
- (e) review regular reports from the Chief Regulation Officer and keep under review the adequacy and effectiveness of the Company's compliance function; and
- (f) report to the Board on the establishment and maintenance of the whistleblowing procedures.

8.5 **External Audit**

8.5.1 The Audit Committee shall:

- (a) consider and make recommendations to the Board, to be put to shareholders for approval at the Company's annual general meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor;
- (b) at least once every ten years, conduct a tender process in respect of the audit services contract, to enable the Audit Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms; and in respect of such tender oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process;
- (c) if an auditor resigns, investigate the issues leading to this and decide whether any action is required;
- (d) oversee the relationship with the external auditor including (but not limited to):
 - (i) approval of their remuneration, including both fees for audit and non-audit services, and that the level of fees is appropriate to enable an effective and high-quality audit to be conducted;
 - (ii) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;

- (iii) assessing annually their independence and objectivity taking into account relevant legal, professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
 - (iv) satisfying itself that there are no relationships (such as family, employment, investment, financial, business or other personal relationship) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
 - (v) agreeing with the Board prior to adopting a policy and processes on the employment of former employees of the Company's auditor, and monitoring compliance with the relevant requirements;
 - (vi) monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
 - (vii) assessing annually the qualifications, expertise, resources and independence of the external auditor and the effectiveness of the audit process taking into account relevant professional and regulatory requirements, which shall include a report from the external auditor on their own internal quality control procedures;
 - (viii) seeking to ensure co-ordination with the activities of the internal audit function; and
 - (ix) evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of their auditor from the market in that evaluation;
- (e) meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit;
 - (f) review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team; and
 - (g) review the findings of the audit with the external auditor. This shall include, but not be limited to, the following:
 - (i) a discussion of any major issues which arose during the audit;
 - (ii) the auditor's explanation of how the risks to audit quality were addressed;
 - (iii) whether the auditor has met the agreed audit plan and understand the reasons for any changes;
 - (iv) key accounting and audit judgements;
 - (v) the auditor's view of their interactions with senior management;

- (vi) levels of errors identified during the audit; and
- (vii) the effectiveness of the audit process.

8.5.2 The Audit Committee shall also:

- (a) review any representation letter(s) requested by the external auditor before they are signed by management;
- (b) obtain feedback about the conduct of the audit from key people involved;
- (c) review and monitor the content of the external auditor's management letter to assess whether it is based on a good understanding of the company's business and management's response to the auditor's findings and recommendations;
- (d) obtain evidence on the effectiveness of the external audit and auditor from those impacted by the audit/auditor;
- (e) review the Financial Reporting Council's annual report on the external auditor and discuss the report with the external auditor to understand how any issues identified are being addressed;
- (f) review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Audit Committee; and
- (g) review the policy on the supply of non-audit services by the external auditor, ensuring there is prior approval of non-audit services and considering the impact this may have on the external auditor's independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting to the Board on any improvement or action required.

9 **REPORTING RESPONSIBILITIES**

9.1 The Audit Committee chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This report shall include:

- (a) the significant issues that it considered in relation to the financial and narrative statements (required under Clause 8.1.1) and how these were addressed;
- (b) its assessment of the effectiveness of the external audit process (required under Clause 8.5.1(d)(vii)) and its recommendation on the appointment or reappointment of the external auditor; and
- (c) any other issues on which the Board has requested the Audit Committee's opinion.

9.2 The Audit 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 Audit Committee shall compile a report on its activities and how it has discharged its responsibilities, and include such report in the Company's annual report. The report should include:

- (a) the significant issues that the Audit Committee considered relating to the financial and narrative statements, and how these issues were addressed, having regard to matters communicated to it by the external auditor;
- (b) an explanation of the application of the Company's accounting policies;
- (c) where shareholders have requested that certain matters be covered in an audit and that request has been rejected, an explanation of the reasons why;
- (d) an explanation of how the Audit Committee has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current external auditor, when a tender was last conducted and advance notice of any retendering plans;
- (e) where a regulatory inspection of the quality of the Company's audit has taken place, information about the findings of that review, together with any remedial action the external auditor is taking in light of these findings;
- (f) if the external auditor provides non-audit services, an explanation of how external auditor objectivity and independence are safeguarded;
- (g) in the event of the Board not accepting the Audit Committee's recommendation on the external auditor appointment, reappointment or removal, a statement from the Audit Committee explaining its recommendation and the reasons why the Board has taken a different position;
- (h) as regards the Competition & Markets Authority Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the "**CMA Order**"), a statement of compliance with its provisions and if the Company has not completed a competitive tender process for auditor appointments in the last consecutive five years, a statement of when the Company next proposes to complete a tender, and the reason why a tender in that financial year is in the best interest of the Company's members; and
- (i) all other information requirements set out in the Code.

9.4 In compiling the reports referred to in Clause 9.1 and Clause 9.3, the Audit Committee should exercise judgment in deciding which of the issues it considers in relation to the financial statements are significant, but should include at least those matters that have informed the Board's assessment of whether the Company is a going concern. The report to shareholders need not repeat information disclosed elsewhere in the annual report and accounts, but could provide cross-references to that information.

9.5 The Audit Committee shall (in consultation with the Regulatory & Risk committee), as requested by the Board, assist the Board in discharging its duties as regards:

- (a) the directors' confirmation in the Company's annual report that they have carried out a robust assessment of the emerging and principal risks facing the Company and their explanation of how those risks are being managed or mitigated;
- (b) the directors' explanation of how they have assessed the prospects of the Company, over what period that thought due and why; and their statement

that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment, drawing attention to any qualifications or assumptions as necessary; and

- (c) the directors' statement regarding the adoption of the going concern basis of accounting and any material uncertainties to the Company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements.

10

OTHER MATTERS

The Audit Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- (c) give due consideration to relevant laws and regulations, the provisions of the Companies Law, the provisions of the Code, the FRC Audit Committees and the External Audit: Minimum Standard, and the requirements of the Financial Conduct Authority's Listing Rules, the Prospectus Regulation Rules sourcebook and the Disclosure Guidance and Transparency Rules sourcebook, the CMA Order and any other applicable rules, as appropriate;
- (d) be responsible for co-ordination of the internal and external auditors;
- (e) oversee any investigation of activities which are within its terms of reference;
- (f) work and liaise as necessary with all other Board committees;
- (g) evaluate potential or existing deficiencies in the administration of the Company's business, inter alia by consulting, if deemed necessary, with the internal or external auditor, and make proposals to the Board regarding ways of correcting such deficiencies; if the Audit Committee finds a material deficiency during such evaluation, the Audit Committee will hold at least one meeting regarding such material deficiency, with the participation of the internal or external auditor, as applicable, and in the absence of officers and directors of the Company who are not members of the committee. Notwithstanding, an officer or non-member director can and, to the extent practicable, will participate in such meeting in order to present his or her position on a matter which is under his or her scope of responsibilities, if so requested by the Audit Committee;
- (h) when relevant, determine:
 - (i) with respect to transactions described in Section 270(4) of the Companies Law, even if any such transaction is not extraordinary:
 - (A) whether the Company will hold a competitive process under the supervision of the Audit Committee or any other supervisor as it determines, in accordance with criteria that the Audit Committee will set; or

(B) that other proceedings, as set by the Audit Committee, will be conducted prior to engaging in such transaction,

all taking into account the type of the transaction;

(ii) the manner of approval of certain transactions as set forth in Section 270(4) of the Companies Law that the Audit Committee deems non-negligible and the type of non-negligible transactions that are subject to approval of the Audit Committee; and

(iii) the classification, on the basis of detailed reasons, of certain acts, as set forth in Section 255 of the Companies Law, as "material," or "non-material" and certain transactions as set forth in Section 270(1) or 270(4) of the Companies Law as "extraordinary" or "non-extraordinary" for purposes of determining the required approval process of such acts or transactions;

(i) from time to time, pre-determine principles and guidelines for the proceedings listed in Clause 10(h) above.

(j) decide on the approval of certain acts or related party transactions as set forth in Sections 255 and 268-275 of the Companies Law;

(k) to review and monitor whistle blower procedures; and

(l) arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

11 **AUTHORITY**

The Audit Committee is authorised to:

(a) contact the Company Secretary, in order to seek any information it requires from any employee of the Company in order to perform its duties;

(b) obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so; and

(c) contact the Company Secretary, in order to call any employee to be questioned at a meeting of the Audit Committee as and when required.

SECTION 2 TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

12 **MEMBERSHIP**

12.1 The Board has established a committee of the Board known as the Remuneration Committee.

12.2 The Remuneration Committee shall comprise of at least three members. All members of the Remuneration Committee shall be independent non-executive directors under the UK Corporate Governance Code (the "**Code**"). In accordance with Israel's Companies Law, 5759-1999 (the "**Companies Law**");

(a) all External Directors shall be members of the Remuneration Committee;

- (b) all other members of the Remuneration Committee must be persons whose terms of office are identical to those of External Directors;
- (c) the External Directors shall constitute a majority of the members of the Remuneration Committee; and
- (d) the chair of the Remuneration Committee shall be an External Director.

Members of the Remuneration Committee (other than External Directors) shall be appointed by the Board and may be removed or replaced at any time by the Board, on the recommendation of the Nomination Committee and in consultation with the chair of the Remuneration Committee. External Directors upon their appointment in such capacity, will automatically become members and will cease to be members upon the expiry of their terms of office as External Directors or upon the occurrence of events or circumstances that will negate such member's status as an External Director. A committee member shall automatically cease to be a member of the Remuneration Committee upon ceasing to be a director.

12.3 In accordance with the Companies Law, the following persons may not serve as a member of the Remuneration Committee:

- (a) the chair of the Board;
- (b) any director who provides services on an ongoing basis to, or is employed by, the Company or by the controlling shareholder of the Company or by a company under the control of such controlling shareholder;
- (c) any director whose main source of income comes from the controlling shareholder of the Company; and
- (d) the Company's controlling shareholder or his or her Relative, (within the meaning of the Companies Law).

12.4 A person that is not eligible to be a member of the Remuneration Committee may not be present during Remuneration Committee meetings or votes unless the chair determines that such person is required for presentation of a matter on the agenda. If requested by the Remuneration Committee, a Company employee, provided he or she is not the Company's controlling shareholder or his or her Relative, may, and to the extent practicable, will be present during Remuneration Committee meeting (but not votes). Notwithstanding the above, if requested by the Remuneration Committee, the Secretary and the Company's legal advisors, provided that each is not the Company's controlling shareholder or his or her Relative, may be present during Committee meetings and votes.

12.5 Appointments to the Remuneration Committee shall be for reviewed on annual basis to ensure the committee member still meets the criteria for membership of the Remuneration Committee. No person may be a member of the Remuneration Committee for longer than nine years.

12.6 The Nomination Committee and the Board shall appoint the chair of the Remuneration Committee who shall be an independent non-executive director and an External Director. Also, under the Code, before appointment as chair of the Remuneration Committee, the appointee should have served on a remuneration committee for at least 12 months. In the absence of the Remuneration Committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

13 **SECRETARY**

The Company Secretary or his or her nominee shall act as the secretary of the Remuneration Committee and will ensure that the Remuneration Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

14 **QUORUM**

The quorum necessary for the transaction of business shall be a majority of members present at the Remuneration Committee meeting, provided that: (a) a majority of the present members are Independent Directors and (b) at least one of the members present is an External Director.

15 **FREQUENCY OF MEETINGS**

The Remuneration Committee shall meet at least twice a year and otherwise as required.

16 **NOTICE OF MEETINGS**

16.1 The Remuneration Committee shall meet on the dates specified in the schedule circulated to the Board. In addition to any meetings specified in that schedule, meetings of the Remuneration Committee may be convened on an ad hoc basis by the secretary of the Remuneration Committee at the request of the Remuneration Committee chair or any of its members.

16.2 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 Remuneration Committee, any other person required to attend and all other non-executive directors, no later than two working days before the date of the meeting. Supporting papers shall be sent to Remuneration Committee members and to other attendees, as appropriate, at the same time.

16.3 Shorter notice and/or late submission or circulation of supporting papers will be permitted at the discretion of the Remuneration Committee chair.

16.4 Meetings may be held by video conference, telephone or by any other manner permitted by the Company's articles of association.

17 **MINUTES OF MEETINGS**

17.1 The secretary of the Remuneration Committee shall minute the proceedings and decisions of all Remuneration Committee meetings, including recording the names of those present and in attendance, as well as the existence of any conflicts of interest.

17.2 Draft minutes of Remuneration Committee meetings shall be circulated promptly to all members of the Remuneration Committee. Once approved, minutes shall be circulated to all other members of the Board and the Company Secretary unless, in exceptional circumstances, it would be inappropriate to do so.

18 **ANNUAL GENERAL MEETING**

The Remuneration Committee chair should attend the Company's annual general meeting to answer any shareholder questions on the Remuneration Committee's activities.

19 **DUTIES**

19.1 The Remuneration Committee should carry out the duties detailed below for the Company and, as appropriate, for the Group.

19.2 The Remuneration Committee shall:

- (a) have responsibility for setting and recommending to the Board and shareholders of the Company for approval the remuneration policy for all executive directors, senior management and the Company's chair, including pension rights and any compensation payments or benefits such as share options, share schemes or any other benefit. In doing so, the Remuneration Committee shall review workforce remuneration and related policies and take these into account when setting and recommending the policy for executive director remuneration. In accordance with the Companies Law, the Board and the shareholders of the Company shall determine the remuneration of the non-executive and executive directors within the guidelines set out in the Company's Remuneration Policy for Directors and Executives, after such remuneration has been approved and recommended by the Remuneration Committee. No director or senior manager shall be involved in any decisions as to their own remuneration and care should be taken to recognise and manage conflicts of interest when considering views from other members of the Board on its proposals;
- (b) recommend, monitor and approve the level and structure of remuneration for senior management;
- (c) review and approve, and recommend to the Board and shareholders of the Company for approval, the Company's Remuneration Policy for Directors and Executives in accordance with the Companies Law; in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions of the Companies Law, the provisions and recommendations of the Code 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 size of the Company and the nature of its activities, the risk appetite of the Company and alignment to the Company's long-term strategic 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;
- (d) performance elements should be transparent, stretching and vigorously applied;
- (e) when setting remuneration policy for directors, review and have regard to pay and employment conditions across the Group, especially when determining annual salary increases;
- (f) from time to time, but at least once every three years, make recommendations to the Board regarding any extension or modification of the Company's Remuneration Policy for Directors and Executives;
- (g) review the on-going appropriateness, relevance and implementation of the Company's Remuneration Policy for Directors and Executives, and

recommend to the Board to update the policy from time to time, if and when necessary;

- (h) within the terms of the agreed policy and in consultation with the chair and/or chief executive officer, as appropriate, determine, approve and recommend to the Board and shareholders of the Company for approval, the total individual remuneration package of each executive and non-executive director, the Company chair and the chief executive officer, including bonuses, incentive payments and share options or other share awards;
- (i) within the terms of the agreed policy and in consultation with the chair and/or chief executive officer, as appropriate, determine, approve and recommend to the Board for approval, the total individual remuneration package of each non-director senior executive who reports to the chief executive officer, including bonuses, incentive payments and share options or other share awards;
- (j) within the terms of the agreed policy and in consultation with the chair and/or chief executive officer, as appropriate, determine, approve and recommend to the Board for approval, the total individual remuneration package of each executive and non-executive director and each non-director senior executive who is a controlling shareholder of the Company or his or her relative whether such service is provided directly or indirectly including through a company in such individual's control, including bonuses, incentive payments and share options or other share awards;
- (k) in certain situations described under the Companies Law, determine whether to exempt the approval of the remuneration package of a candidate for the position of chief executive of the Company from the requirement to obtain shareholder approval based on reasons to be specified by the Remuneration Committee;
- (l) in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Companies Law and in the Code and the Financial Conduct Authority's Listing Rules and associated guidance;
- (m) judge where to position the Company relative to other companies, including obtaining reliable, up-to-date information about remuneration in other companies of comparable scale and complexity, but be mindful of the need to use such comparisons with caution, in view of the risk of an upwards ratchet of remuneration levels with no corresponding improvement in corporate and individual performance, and to avoid paying more than is necessary. To help it fulfil its obligations, the Remuneration 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;
- (n) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee;
- (o) 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. Schemes should enable the Company to recover sums paid or withhold payment in certain circumstances;

- (p) review the design of all share incentive plans for approval by the Board and (if legally required or deemed appropriate) shareholders of the Company. 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;
- (q) determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives
- (r) 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;
- (s) oversee any major changes in employee benefits structures throughout the Group;
- (t) when determining executive director remuneration policy and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
- (u) agree the policy for authorising claims for expenses from the directors; and
- (v) work and liaise as necessary with all other Board committees.

20 **REPORTING RESPONSIBILITIES**

- 20.1 The Remuneration Committee chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.
- 20.2 The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 20.3 If the Remuneration Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company or individual directors.
- 20.4 Through the Chair of the Board (and the executive directors and the Head of IR), ensure that the committee chair maintains contact as required with its principal shareholders about remuneration.

21 **OTHER MATTERS**

The Remuneration Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- (c) give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non-

listed companies and formation and operation of share schemes including but not limited to the provisions of the Companies Law, provisions of the Code, the requirements of the Financial Conduct Authority's Listing Rules, the Prospectus Regulation Rules sourcebook and the Disclosure Guidance and Transparency Rules sourcebook as well as guidelines published by the Investment Association and the Pensions and Lifetime Savings Association and any other applicable rules, as appropriate; and

- (d) arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

22 **AUTHORITY**

The Remuneration 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.

SECTION 3 TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

23 **MEMBERSHIP**

- 23.1 The Board has established a committee of the Board known as the Nomination Committee.
- 23.2 The Nomination Committee shall comprise of at least two members. All the members of the Nomination Committee must be directors, a majority of the members are required to be independent non-executive directors by the Corporate Governance Code (the "**Code**") and at least one member shall be an External Director. Members of the Nomination Committee shall be appointed by the Board and may be removed or replaced at any time by the Board, on the recommendation of the Nomination Committee and in consultation with the chair of the Nomination Committee. A committee member shall automatically cease to be a member of the Nomination Committee upon ceasing to be a director.
- 23.3 Only members of the Nomination Committee have the right to attend Nomination Committee meetings. However, other individuals, such as, the chief executive officer, VP HR and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 23.4 Appointments to the Nomination Committee shall be for reviewed on annual basis to ensure the committee member still meets the criteria for membership of the Nomination Committee. No person may be a member of the Nomination Committee for longer than nine years.
- 23.5 The Board shall appoint the chair of the Nomination Committee who should be either the chair of the Board or an independent non-executive director. In the absence of the Nomination Committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those present. The chair of the Board shall not chair the Nomination Committee when it is dealing with the matter of succession to the chair.

24 **SECRETARY**

The Company Secretary or his or her nominee shall act as the secretary of the Nomination Committee and will ensure that the Nomination Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

25 **QUORUM**

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

26 **FREQUENCY OF MEETINGS**

The Nomination Committee shall meet at least twice a year and otherwise as required.

27 **NOTICE OF MEETINGS**

27.1 The Nomination Committee shall meet on the dates specified in the schedule circulated to the Board. In addition to any meetings specified in that schedule, meetings of the Nomination Committee may be convened on an ad hoc basis by the secretary of the Nomination Committee at the request of the Nomination Committee chair or any of its members.

27.2 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 Nomination Committee, any other person required to attend and all other non-executive directors, no later than two working days before the date of the meeting. Supporting papers shall be sent to Nomination Committee members and to other attendees as appropriate, at the same time.

27.3 Shorter notice and/or late submission or circulation of supporting papers will be permitted at the discretion of the Nomination Committee chair.

27.4 Meetings may be held by video conference, telephone or by any other manner permitted by the Company's articles of association.

28 **MINUTES OF MEETINGS**

28.1 The secretary of the Nomination Committee shall minute the proceedings and resolutions of all Nomination Committee meetings, including recording the names of those present and in attendance, as well as the existence of any conflicts of interest.

28.2 Draft minutes of Nomination Committee meetings shall be circulated promptly to all members of the Nomination Committee. Once approved, minutes shall be circulated to all other members of the Board and the Company Secretary unless, in exceptional circumstances, it would be inappropriate to do so.

29 **ANNUAL GENERAL MEETING**

The Nomination Committee chair should attend the Company's annual general meeting to answer any shareholder questions on the Nomination Committee's activities.

30 **DUTIES**

30.1 The Nomination Committee should carry out the duties below for the Company and, as appropriate, for the Group.

30.2 The Nomination Committee shall:

- (a) regularly review the structure, size and composition (including the skills, knowledge, independence, experience and diversity) of the Board and make recommendations to the Board with regard to any changes, if necessary;
- (b) give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills, experience and knowledge needed on the Board;
- (c) oversee the development of a diverse pipeline for succession taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in future, and also taking into account, among other things, the diversity of gender, social and ethnic backgrounds, cognitive and personal strengths;
- (d) keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- (e) keep up to date and fully informed about strategic issues and commercial changes affecting Plus500 and the markets in which it operates;
- (f) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (g) before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nomination Committee shall:
 - (i) use open advertising or the services of external advisers to facilitate the search;
 - (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- (h) for the appointment of a Chair of the Board, the Nomination Committee should prepare a job specification, including the time commitment expected. A proposed chair's other significant commitments should be disclosed to the Board before appointment and any changes to the chair's commitments should be reported to the Board as they arise;
- (i) prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict

of interest and be required to report any future business interests that could result in a conflict of interest;

- (j) ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
- (k) assist the Chair with the implementation of an annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its committees, and ensure that evaluation is externally facilitated at least every three years;
- (l) review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning;
- (m) review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and
- (n) work and liaise as necessary with all other Board committees.

30.3 The Nomination Committee shall also make recommendations to the Board concerning:

- (a) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chair of the Board and chief executives;
- (b) suitable candidates for the role of senior independent director;
- (c) membership of the Audit Committee, Remuneration Committee, Regulatory and Risk Committee, Disclosure Committee and ESG Committee, and any other Board committees as appropriate, in consultation with the chair of those committees;
- (d) the re-appointment of any non-executive director (including the external directors appointed in accordance with Israel's Companies Law, 5759-1999 (the "**Companies Law**")) at the conclusion of their specified term of office having given due regard to their performance, independence and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- (e) the re-election by shareholders of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the Company's articles of association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond nine years);
- (f) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee/service provider of the Company subject to the provisions of the law and their service contract; and
- (g) the appointment of any director to executive or other office.

31 **REPORTING RESPONSIBILITIES**

- 31.1 The Nomination Committee chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 31.2 The Nomination Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 31.3 The Nomination Committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if open advertising and/or an external search consultancy has been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company or individual directors.
- 31.4 The report referred to in Clause 31.3 above should include:
- (a) the process used for recommendations to the Board regarding appointments, its approach to succession planning and how both support the development of a diverse pipeline;
 - (b) a description of the Board's policy on equality, diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives;
 - (c) the gender balance of those in senior management (to include the first layer of management below the Board level including the Company Secretary) and their direct reports;
 - (d) how the Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual directors, the outcomes and actions taken, and how it has or will influence Board composition.

32 **OTHER MATTERS**

The Nomination Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- (b) 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;
- (c) give due consideration to laws and regulations, the provisions of the Companies Law, the provisions of the Code and the requirements of the Financial Conduct Authority's Listing Rules, the Prospectus Regulation Rules sourcebook and the Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules and reviews as appropriate; and
- (d) arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

33 **AUTHORITY**

The Nomination 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.

SECTION 4
TERMS OF REFERENCE OF THE REGULATORY AND RISK COMMITTEE

34 **MEMBERSHIP**

34.1 The Board has established a committee of the Board known as the Regulatory and Risk Committee.

34.2 The Regulatory and Risk Committee shall comprise of at least three members. The activities of the Regulatory and Risk Committee should involve participation by the chair of the Audit Committee. Members of the Regulatory and Risk Committee, including the Chair, shall be appointed by the Board and may be removed or replaced at any time by the Board, on the recommendation of the Nomination Committee in consultation with the chair of the Regulatory and Risk Committee. All the members of the Regulatory and Risk Committee must be directors and at least one member shall be an External Director. A committee member shall automatically cease to be a member of the Regulatory and Risk Committee upon ceasing to be a director.

34.3 The Chief Financial Officer shall be a committee member.

34.4 Only members of the Regulatory and Risk Committee have the right to attend committee meetings. However, other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.

34.5 Appointments to the Regulatory and Risk Committee shall be for reviewed on annual basis to ensure the committee member still meets the criteria for membership of the Regulatory and Risk Committee. No person may be a member of the Regulatory and Risk Committee for longer than nine years.

34.6 The Board shall appoint the chair of the Regulatory and Risk Committee. In the absence of the Regulatory and Risk Committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

35 **SECRETARY**

The Company Secretary or his or her nominee shall act as the secretary of the Regulatory and Risk Committee and will ensure that the Regulatory and Risk Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

36 **Quorum**

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

37 **FREQUENCY OF MEETINGS**

The Regulatory and Risk Committee shall meet at least three times a year and otherwise as required.

38 **NOTICE OF MEETINGS**

- 38.1 The Regulatory and Risk Committee shall meet on the dates specified in the schedule circulated to the Board. In addition to any meetings specified in that schedule, meetings of the Regulatory and Risk Committee may be convened on an ad hoc basis by the secretary of the Regulatory and Risk Committee at the request of the Regulatory and Risk Committee chair or any of its members.
- 38.2 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 Regulatory and Risk Committee, any other person required to attend and all other non-executive directors, no later than two working days before the date of the meeting. Supporting papers shall be sent to Regulatory and Risk Committee members and to other attendees as appropriate, at the same time.
- 38.3 Shorter notice and/or late submission or circulation of supporting papers will be permitted at the discretion of the Regulatory and Risk Committee chair.
- 38.4 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.
- 38.5 Meetings may be held by video conference, telephone or by any other manner permitted by the Company's articles of association.

39 **MINUTES OF MEETINGS**

- 39.1 The secretary of the Regulatory and Risk Committee shall minute the proceedings and decisions of all Regulatory and Risk Committee meetings, including recording the names of those present and in attendance, as well as the existence of any conflicts of interest.
- 39.2 Draft minutes of Regulatory and Risk Committee meetings shall be circulated promptly to all members of the Regulatory and Risk Committee. Once approved, minutes shall be circulated to all other members of the Board and the Company Secretary unless, in exceptional circumstances, it would be inappropriate to do so.

40 **ANNUAL GENERAL MEETING**

The Regulatory and Risk Committee chair should attend the Company's annual general meeting to answer shareholder questions on the Regulatory and Risk Committee's activities.

41 **DUTIES**

The Regulatory and Risk Committee should carry out the duties below for the Company and, as appropriate, for the Group.

41.1 **Internal controls and risk management systems**

The Regulatory and Risk Committee shall:

- (a) keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management strategy and systems;
- (b) review and submit to the Board for approval the statements to be included in the annual report concerning internal controls and risk management;

- (c) advise the Board on the Company's overall risk appetite, tolerance and strategy, taking into account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments such as those published by relevant industry and regulatory authorities, and other authoritative sources that may be relevant for the Company's risk policies;
- (d) oversee and advise the Board on current and emerging risk exposures of the Company and future risk strategy;
- (e) review the Company's capability to identify and manage new risk types;
- (f) review the most significant risks to the achievement of strategic objectives;
- (g) review incident reports to monitor incidents and remedial activity;
- (h) agree, with the Board, and monitor the risk assessment programme;
- (i) adopt review the Company's risk policy and receive reports on non-compliance with the Group's risk policy;
- (j) consider and approve the remit of the risk management function and ensure that it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.

41.2 **Internal audit**

Monitor and assess the role and the effectiveness of the Company's internal audit function in the overall context of the Company's risk management system.

41.3 **Regulation**

The Regulatory and Risk Committee shall:

- (a) review relationships with the FCA, CySec, ASIC and other regulatory authorities, where appropriate, in other jurisdictions where the Company has a significant presence;
- (b) review the adequacy and quality of the Company's systems and procedures for compliance with all relevant legal and regulatory requirements in jurisdictions where the Company is regulated.;
- (c) review significant breaches, or potential breaches, of regulation and risk limits and the steps taken to ensure that the underlying root causes of any regulatory control failures are being adequately addressed;
- (d) review developments and prospective changes in the regulatory environment, and the Company's plans to help influence future regulatory policies; and
- (e) review the adequacy and quality of any legal opinions which the Company has obtained or does obtain in respect of its business in the jurisdictions where it operates and any other jurisdictions for which a legal opinion may be necessary, and obtain updated or new legal opinions where required.

42 **REPORTING RESPONSIBILITIES**

42.1 The Regulatory and Risk Committee chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, including how the Regulatory and Risk Committee has addressed the effectiveness of the structures, processes and responsibilities for identifying and managing risks.

42.2 The Regulatory and Risk Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

42.3 The Regulatory and Risk Committee shall compile a report on its activities to be included in the Company's annual report, which confirms a robust assessment of the Company's emerging and principle risks has been completed, describes what the Company's principle risks are and explains what procedures are in place to identify emerging risks and how these are being managed or mitigated.

43 **OTHER MATTERS**

The Regulatory and Risk Committee shall:

- (a) work and liaise as necessary with all other Board committees;
- (b) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- (c) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- (d) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing Rules, the Prospectus Regulation Rules sourcebook and the Disclosure Guidance and Transparency Rules sourcebook, Israel's Companies Law, 5759-1999 and any other applicable rules, as appropriate;
- (e) oversee any investigation of activities which are within its terms of reference; and
- (f) arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

44 **AUTHORITY**

The Regulatory and Risk 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.

**SECTION 5
TERMS OF REFERENCE OF THE DISCLOSURE COMMITTEE**

45 **MEMBERSHIP**

45.1 The Board has established a committee of the Board known as the Disclosure Committee.

- 45.2 The Disclosure Committee shall comprise of at least two members. Members of the Disclosure Committee shall be appointed by the Board and may be removed or replaced at any time by the Board, on the recommendation of the Nomination Committee and in consultation with the chair of the Disclosure Committee. All the members of the Disclosure Committee must be directors and at least one member shall be an External Director. A committee member shall automatically cease to be a member of the Disclosure Committee upon ceasing to be a director.
- 45.3 Only members of the Disclosure Committee have the right to attend committee meetings. However, other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 45.4 Appointments to the Disclosure Committee shall be for reviewed on annual basis to ensure the committee member still meets the criteria for membership of the Disclosure Committee. No person may be a member of the Disclosure Committee for longer than nine years.
- 45.5 The Board shall appoint the chair of the Disclosure Committee, who shall be the Chief Financial Officer or his/her nominee (so long as such person is a director). In the absence of the Disclosure Committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

46 **SECRETARY**

The Company Secretary or his or her nominee shall act as the secretary of the Disclosure Committee.

47 **QUORUM**

The quorum necessary for the transaction of business shall be two members, one of whom must be an executive director.

48 **FREQUENCY OF MEETINGS**

- 48.1 The Disclosure Committee shall meet on an ad-hoc basis, and if and when it is asked to by the Board, at such times and in such manner (including by telephone) as shall be necessary or appropriate, as determined by the chair of the Disclosure Committee or, in his/her absence, by any other member of the Disclosure Committee.
- 48.2 In addition, the Committee shall meet, as shall be necessary or appropriate, to review the operation, adequacy and effectiveness of the Disclosure Procedures (defined below) and its own procedures.

49 **NOTICE OF MEETINGS**

- 49.1 The Disclosure Committee shall meet on the dates specified in the schedule circulated to the Board. In addition to any meetings specified in that schedule, meetings of the Disclosure Committee may be convened on an ad hoc basis by the secretary of the Disclosure Committee at the request of the Disclosure Committee chair or any of its members.
- 49.2 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 Disclosure Committee, any other person required to attend and all other non-executive directors, no later than two working days before the date of the

meeting. Supporting papers shall be sent to Disclosure Committee members and to other attendees as appropriate, at the same time.

49.3 Shorter notice and/or late submission or circulation of supporting papers will be permitted at the discretion of the Disclosure Committee chair.

49.4 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

49.5 Meetings may be held by video conference, telephone or by any other manner permitted by the Company's articles of association.

50 **MINUTES OF MEETINGS**

50.1 The secretary of the Disclosure Committee shall minute the proceedings and decisions of all Disclosure Committee meetings, including recording the names of those present and in attendance, as well as the existence of any conflicts of interest.

50.2 Draft minutes of Disclosure Committee meetings shall be circulated promptly to all members of the Disclosure Committee. Once approved, minutes shall be circulated to all other members of the Board and the Company Secretary unless, in exceptional circumstances, it would be inappropriate to do so.

51 **ANNUAL GENERAL MEETING**

The Disclosure Committee chair should attend the Company's annual general meeting to answer shareholder questions on the Disclosure Committee's activities.

52 **DUTIES**

52.1 If and when it is asked to by the Board, the Disclosure Committee should carry out the duties detailed below for the Company and, as appropriate, for the Group.

52.2 The purpose of the Disclosure Committee is to assist the Board in fulfilling its responsibilities in respect of:

(a) the requirement to make timely and accurate disclosure of all information that is required to be disclosed to meet the legal and regulatory obligations and requirements arising under the UK version of the Market Abuse Regulation (EU) No. 596/2014 ("**MAR**") and the Disclosure Guidance and Transparency Rules sourcebook published by the FCA from time to time (the "**DTRs**") and, for such time as the Company's shares are admitted to the premium listing segment of the Official List of the FCA (the "**Official List**"), the FCA Listing Rules, the Listing Principles and the Premium Listing Principles (as each such term is defined in the FCA Handbook as published by the FCA from time to time); and

(b) the requirement for the Company to take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations in this regard.

52.3 In accordance with MAR, the DTRs and, for such time as the Company's shares are admitted to the premium listing segment of the Official List, the Listing Rules, the Listing Principles and the Premium Listing Principles, the Company is required to disclose in the prescribed manner, as soon as possible, any inside information directly concerning the Company, unless an exemption from disclosure is available. For this purpose, "inside information" is information of a precise nature which:

- (a) has not been made public;
- (b) relates, directly or indirectly to an issuer or to one or more financial instruments; and
- (c) which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

52.4 The Company is allowed to delay disclosure of inside information provided that all of the following conditions are met:

- (a) immediate disclosure is likely to prejudice the legitimate interests of the Company;
- (b) delay of disclosure is not likely to mislead the public; and
- (c) the Company is able to ensure the confidentiality of that information.

The Disclosure Committee must make an informed assessment, on advice from internal and external advisers (as appropriate) on whether the information is inside information and then evaluate whether the above conditions are met to permit delayed disclosure. If the conditions are not met, the Company must announce the information without delay. If the conditions are met, the Company must prepare a holding announcement for immediate release if the confidentiality of that inside information can no longer be ensured. The Company must monitor satisfaction of the conditions on an ongoing basis.

52.5 In certain limited circumstances, the Company is permitted to selectively disclose inside information prior to announcement of the information to the market. The Disclosure Committee will make an informed assessment (taking advice from internal and external advisers (as appropriate)) as to whether selective disclosure is justified (for example, to seek shareholder support and/or bank financing for a major transaction) taking into account the provisions of MAR and the DTRs and ensure that it is undertaken in compliance with applicable regulation including that recipients are bound by a duty of confidentiality.

52.6 The Company is also subject to requirements relating to denying access to inside information and keeping insider lists.

52.7 In addition, the Company has a range of other announcement obligations under MAR, the DTRs and the Listing Rules, the Listing Principles and the Premium Listing Principles, including in relation to:

- (a) transactions conducted by persons discharging managerial responsibility and persons closely associated with them on their own account;
- (b) transactions (including potential related party transactions);
- (c) Board changes; and
- (d) financial reporting.

52.8 The Disclosure Committee shall carry out the following duties, if and when it is asked to by the Board:

- (a) draw up and maintain procedures, systems and controls for the identification, treatment and disclosure of inside information and for complying with other disclosure obligations falling on the Company under MAR, the DTRs and the Listing Rules, the Listing Principles and the Premium Listing Principles ("**Disclosure Procedures**");
- (b) implement the Disclosure Procedures, including where appropriate arranging for the dissemination of guidelines and training;
- (c) keep the adequacy of the Disclosure Procedures under review;
- (d) monitor compliance with the Disclosure Procedures;
- (e) determine whether information that is submitted to it is inside information which requires disclosure and determine any other issue relating to the application of the Disclosure Procedures that is required to be submitted to it for determination; and
- (f) ensure that all regulatory announcements, shareholder circulars, prospectuses and other documents issued by the Company under any legal or regulatory requirement are scrutinised in order to ensure that they comply with applicable requirements.

The duties of the Disclosure Committee will include (unless being taken care of by the Board), without limitation:

- (g) if it is decided that an announcement relating to inside information or price sensitive information is to be made by the Company to the market:
- (h) supervise the preparation of the announcement;
- (i) oversee the verification process (if considered appropriate) to be undertaken in respect of the contents of the announcement;
- (j) review and amend, where appropriate, the text of the announcement to avoid any inaccurate or misleading statements being made to the market; and
- (k) approve such announcement (unless the announcement has already been approved by the Board;
- (l) if other action is appropriate, for example, to agree a delay in announcing the information, to prepare a holding announcement or seek a suspension from listing pending clarification of uncertainties, decide to take that action;
- (m) overseeing the implementation and operation of appropriate procedures for the verification of financial statements, annual reports, circulars and other relevant documents which are to be publicly disclosed;
- (n) reviewing the form and content of financial statements, annual reports, circulars and other relevant documents which are to be publicly disclosed, to ensure that they are true, accurate and complete;
- (o) maintaining a record of matters considered for disclosure but not disclosed;
- (p) assessing whether it is permissible to delay disclosure of inside information;

- (q) maintaining a record of any decision to delay disclosure of inside information;
- (r) assessing whether inside information may be disclosed selectively to third parties when it is permissible to delay disclosure;
- (s) maintaining a record of its meetings;
- (t) preparing and monitoring leak announcements;
- (u) monitoring the Company's share price, in particular, for any untoward movements;
- (v) assessing relevant and substantive market rumours or speculation concerning the Group and making recommendations as to what response, if any, should be made;
- (w) monitoring analysts' expectations as to the Group's performance and recommending any necessary corrective action;
- (x) monitoring the Group's performance against its own forecasts and analyst expectations;
- (y) supervising the verification process for regulatory announcements;
- (z) recommending appropriate employee training in respect of the handling of inside information and the Group's Disclosure Policy; and
- (aa) periodically reviewing the Group's Disclosure Policy and recommending changes to the Disclosure Policy to the Board.

53 ACCESS TO RECORDS AND PERSONNEL

The Disclosure Committee shall have full access to the Company's records and personnel.

54 REPORTING RESPONSIBILITIES

If and when it is asked to by the Board, the Disclosure Committee shall submit the results of its review of the operation, adequacy and effectiveness of the Disclosure Procedures and its own procedures to the Board.

55 AUTHORITY

The Disclosure 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.

**SECTION 6
TERMS OF REFERENCE OF THE ENVIRONMENTAL, SOCIAL & GOVERNANCE ("ESG")
COMMITTEE**

56 MEMBERSHIP

56.1 The Board has established a committee of the Board known as the ESG Committee.

56.2 The ESG Committee shall comprise of at least three members. All the members of the ESG Committee must be directors, a majority of the members of the ESG Committee should be independent non-executive directors under the Code and at least one member shall be an External Director. Members of the ESG Committee shall be appointed by the Board and may be removed or replaced at any time by the Board, on the recommendation of the Nomination Committee and in consultation with the chair of the ESG Committee. A committee member shall automatically cease to be a member of the ESG Committee upon ceasing to be a director.

56.3 Only members of the ESG Committee have the right to attend committee meetings. However, other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.

56.4 Appointments to the ESG Committee shall be for reviewed on annual basis to ensure the committee member still meets the criteria for membership of the ESG Committee. No person may be a member of the ESG Committee for longer than nine years. The Board shall appoint the chair of the ESG Committee. In the absence of the ESG Committee chair, the remaining members present shall elect one of themselves chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

57 **SECRETARY**

The Company Secretary or his or her nominee shall act as the secretary of the ESG Committee.

58 **QUORUM**

The quorum necessary for the transaction of business shall be two members, one of whom must be an independent non-executive director pursuant to the Code.

59 **FREQUENCY OF MEETINGS**

Meetings of the ESG Committee are proposed to be held three times, but not less than twice, a year and at such other times as the chair of the ESG Committee shall require. Any of the ESG Committee members may request a meeting of the ESG Committee if he or she considers it necessary, to be arranged by the secretary.

60 **NOTICE OF MEETINGS**

60.1 The ESG Committee shall meet on the dates specified in the schedule circulated to the Board. In addition to any meetings specified in that schedule, meetings of the ESG Committee may be convened on an ad hoc basis by the secretary of the ESG Committee at the request of the ESG Committee chair or any of its members.

60.2 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 ESG Committee, any other person required to attend and all other non-executive directors, no later than two working days before the date of the meeting. Supporting papers shall be sent to ESG Committee members and to other attendees as appropriate, at the same time.

60.3 Shorter notice and/or late submission or circulation of supporting papers will be permitted at the discretion of the ESG Committee chair.

60.4 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

60.5 Meetings may be held by video conference, telephone or by any other manner permitted by the Company's articles of association.

61 **MINUTES OF MEETINGS**

61.1 The secretary of the ESG Committee shall minute the proceedings and resolutions of all ESG Committee meetings, including recording the names of those present and in attendance, as well as the existence of any conflicts of interest.

61.2 Draft minutes of ESG Committee meetings shall be circulated promptly to all members of the ESG Committee. Once approved, minutes shall be circulated to all other members of the Board and the Company Secretary unless, in exceptional circumstances, it would be inappropriate to do so.

62 **ANNUAL GENERAL MEETING**

The ESG Committee chair should attend the Company's annual general meeting to answer any shareholder questions on the ESG Committee's activities.

63 **DUTIES**

63.1 The ESG Committee should carry out the duties detailed below for the Company and, as appropriate, for the Group.

63.2 The duties of the ESG Committee are to assess the following:

- (a) Environmental: the Group's impact on the natural environment and its adaptation to climate change including greenhouse gas emissions, energy consumption, generation and use of renewable energy, biodiversity and habitat, impact on water resources and the status of water bodies, pollution, resources efficiency, the reduction and management of waste, and the environmental impact of the Group's supply chain;
- (b) Social: the Group's interactions with employees, commercial counterparties, stakeholders and the communities in which it operates and the role of the Group in society, workplace policies (for example, employee relations and engagement, diversity, non-discrimination and equality of treatment, health and safety and well-being), ethical procurement, any social or community projects undertaken by the Group and social aspects of the supply chain, community and stakeholder engagement or partnerships; and
- (c) Governance: the ethical conduct of the Group's business including its business ethics policies and codes of conduct and counterparty due diligence.

63.3 In particular, the ESG Committee shall consider the adequacy of the Group's ESG policies and processes by reviewing reports prepared by management on:

- (a) review any key learnings from internal or external reviews and investigations of any marketing, advertising campaigns and promotional activities which have had a significant negative impact on the brand or image of the Group;
- (b) diversity in the workplace;
- (c) security and health and safety in respect of the Group's employees and premises;

(d) charitable donations and pro bono programmes; and

(e) the Company's impact on the environment.

63.4 The Committee shall endeavour to ensure that sufficient focus and resource is given to implementing, monitoring and managing the Company's ESG policies and processes and that these remain effective.

63.5 The Committee shall, in consultation with the executive management team, consider the appointment of third parties to advise on ESG policies and practices and/or audit the Company's ESG policies. In relation to any such programme the Committee shall, with the executive management team, evaluate potential third parties, agree the scope of the advisory/audit process and review the results of the exercise and agree the action to be taken.

63.6 The ESG Committee shall liaise and work with the Board's other Committees and the non-executive director discharging the employee engagement function (unless that director is a member of the ESG Committee) to the extent necessary for the Committee and/or another Board Committee to carry out its duties and responsibilities.

63.7 The ESG Committee shall prepare an ESG report for inclusion in the Company's annual report and accounts and oversee that any public disclosures on ESG made by the Group accurately reflect the Group's actual policies and processes.

63.8 The ESG Committee shall ensure that the Board's ethics are being adhered to and the Company continues its commitment to issues concerning social responsibility.

64 **REPORTING RESPONSIBILITIES**

The ESG Committee chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and its compliance with these terms of reference.

65 **OTHER MATTERS**

65.1 The ESG Committee shall:

(a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;

(b) 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;

(c) give due consideration to laws and regulations including the provisions of Israel's Companies Law, 5759-1999, the UK Corporate Governance Code, the UK version of the Market Abuse Regulation (EU) No. 596/2014 and the requirements of the Financial Conduct Authority's Listing Rules, the Prospectus Regulation Rules sourcebook and the Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate; and

(d) arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

66 **AUTHORITY**

The ESG 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.

SECTION 7
TERMS OF REFERENCE FOR THE SENIOR INDEPENDENT DIRECTOR

67 **APPOINTMENT**

67.1 The Board shall be responsible for the appointment of the Senior Independent Director.

67.2 The Senior Independent Director is required to meet the independence criteria set out in the UK Corporate Governance Code.

68 **PURPOSE AND RESPONSIBILITIES**

The principle responsibilities of the Senior Independent Director are to:

- (a) act as Chair of the Board when matters concerning the Chair are considered;
- (b) lead the annual evaluation of the Chair's performance;
- (c) act as conduit to the Board for the communication of shareholder concerns when other channels are inappropriate; and
- (d) ensure the views of other non-executive directors are given due consideration.

69 **DUTIES**

69.1 The Senior Independent Director should:

- (a) be available to shareholders if they have concerns which contact through the normal channels has failed to resolve or for which such contact is inappropriate;
- (b) act as a sounding board for the Chair and serve as an intermediary for the other directors and shareholders who may have concerns which they believe have not been properly considered by the Board;
- (c) have authority to call a meeting of the non-executive directors if, in his/her opinion, it is necessary;
- (d) lead a meeting of the non-executive directors without the Chair present at least annually to appraise the Chair's performance, and on such other occasions as are deemed appropriate;
- (e) make him/herself available to attend meetings with major shareholders to listen to their views in order to help develop a balanced understanding of the issues and concerns of major shareholders; and
- (f) take responsibility for an orderly succession process for the Chair and work closely with the Nomination Committee.

- 69.2 The Senior Independent Director should work with the Chair and the other directors and shareholders to resolve significant issues facing the Company including for example, where:
- (a) there is a dispute between the Chair and chief executive;
 - (b) shareholders or non-executive directors have expressed concerns that are not being addressed by the Chair or chief executive;
 - (c) the strategy is not supported by the entire Board;
 - (d) the relationship between the Chair and chief executive is particularly close;
 - (e) decisions are being made without the approval of the full Board; or
 - (f) succession planning is being ignored.

SECTION 8
MATTERS SPECIFICALLY RESERVED FOR DECISION BY THE FULL BOARD

70 STRATEGY AND MANAGEMENT

- 70.1 Responsibility for the overall leadership of the Group and setting the Company's values and standards.
- 70.2 Approval of the Group's strategic aims and objectives.
- 70.3 Approvals of the annual operating and capital expenditure budgets and any material changes to them.
- 70.4 Oversight of the Group's operations ensuring:
- (a) competent and prudent management;
 - (b) sound planning;
 - (c) maintenance of sound management and internal control systems;
 - (d) adequate accounting and other records; and
 - (e) compliance with statutory and regulatory obligations.
- 70.5 Review of performance in the light of the Group's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 70.6 Extension of the Group's activities into new business or geographic areas.
- 70.7 Any decision to cease to operate all or any material part of the Group's business.

71 STRUCTURE AND CAPITAL

- 71.1 Changes relating to the Group's capital structure including reduction of capital, share, debt or convertible debt issues (except under employee share plans) and share buy backs.
- 71.2 Major changes to the Group's corporate structure, including, but not limited to acquisitions and disposals of shares which are material relative to the size of the

group in question (taking into account initial and deferred consideration).

71.3 Changes to the Group's management and control structure.

71.4 Any changes to the Company's listing or its status as a public company.

71.5 Opine on a special tender offer as mentioned in section 329 of the Companies Law.

72 **FINANCIAL REPORTING AND CONTROLS**

72.1 Approval of the half-yearly report, any interim management statements and any preliminary announcement of the final results.

72.2 Approval of the annual report, including the corporate governance statement and directors' remuneration report.

72.3 Approval of the shareholder returns policy.

72.4 Declaration of the interim dividend, the final dividend, and (when applicable) a special dividend, as well as declaration of share buy backs programmes - all subject to the provisions of Israel's Companies Law, 5759-1999 (the "**Companies Law**") and the Company's Articles of Association.

72.5 Approval of any significant changes in accounting policies or practices.

72.6 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.

72.7 Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).

73 **INTERNAL CONTROLS**

Ensuring maintenance of a sound system of internal control and risk management including:

- (a) approving the Company/Group's risk appetite statements;
- (b) receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
- (c) approving procedures for the detection of fraud and the prevention of bribery;
- (d) undertaking an annual assessment of these processes; and
- (e) approving an appropriate statement for inclusion in the annual report.

74 **CONTRACTS**

74.1 Approval of major capital projects.

74.2 Contracts which are material strategically or by reason of size, entered into by the Company or, in the case of a subsidiary, recommendations for approval in the ordinary course of business, for example bank borrowings above £2 million and acquisitions or disposals of fixed assets (including intangible assets such as

intellectual property) above £1 million, pension funding and contracts in excess of one year's duration.

74.3 Contracts of the Group not in the ordinary course of business, for example loans and repayments above £2 million; foreign currency transactions above £2 million;

major acquisitions or disposals above £2 million/five per cent of net assets.

74.4 Major investments including the acquisition or disposal of interests of more than five per cent in the voting shares of any company or the making of any takeover offer.

75 **COMMUNICATION**

75.1 Ensuring a satisfactory dialogue with shareholders (through the Chair, the senior independent director, the executive directors and the Head of IR) based on the mutual understanding of objectives.

75.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.

75.3 Approval of all circulars, prospectuses and listing particulars.

75.4 Approval of press releases concerning matters decided by the Board.

76 **BOARD MEMBERSHIP AND OTHER APPOINTMENTS**

76.1 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee (subject to the articles of association and shareholder approval, as appropriate).

76.2 Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Company and on the Board.

76.3 Appointments to the Board, following recommendations by the Nomination Committee (subject to shareholder approval, as appropriate).

76.4 Selection of the chair of the Board and the chief executive officer.

76.5 Appointment of the senior independent director to provide a sounding Board for the chair and to serve as intermediary for the other directors when necessary.

76.6 Membership and the chair of Board committees following recommendations from the Nomination Committee.

76.7 Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the Company's annual general meeting and otherwise as appropriate.

76.8 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.

76.9 Appointment or removal of the Company Secretary.

76.10 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in general meeting, following the recommendation of the Audit Committee.

76.11 Appointments to the board of directors of the Company's material subsidiaries.

Determine the required minimum number of directors who must have "accounting and financial expertise", as such term defined in section 240 of the Companies Law.

77 **REMUNERATION**

77.1 Determining the remuneration policy for the directors, Company Secretary and other senior executives following recommendations by the Remuneration Committee (subject to shareholder approval, as appropriate).

77.2 Determining the remuneration of the non-executive directors following recommendation by the Remuneration Committee, subject to the articles of association and shareholder approval, as appropriate.

77.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

78 **DELEGATION OF AUTHORITY**

78.1 The division of responsibilities between the chair of the Board, the chief executive officer and other executive directors, which should be clearly established, set out in writing and agreed by the Board and in accordance with the Companies Law.

78.2 Approval of the delegated levels of authority, including the chief executive officer's authority limits (which must be in writing).

78.3 Establishing Board committees and approving their terms of reference, and approving material changes thereto.

78.4 Receiving reports from Board committees on their activities.

79 **CORPORATE GOVERNANCE MATTERS**

79.1 Undertaking a formal and rigorous annual review of its own performance, of its committees and individual directors, and the division of responsibilities. Determining the independence of non-executive directors in light of their character, judgment and relationships.

79.2 Considering the balance of interests between shareholders, employees, customers and the community.

79.3 Review of the Group's overall corporate governance arrangements.

79.4 On an ongoing basis, receiving reports on the views of the Company's shareholders to ensure that they are communicated to the Board as a whole.

79.5 Authorising conflicts of interest where permitted by the Company's articles of association.

79.6 Approval of transactions and actions that require the approval of the Board under Sections 255 and 268 to 275 of the Companies Law.

80 **POLICIES**

Review and approval of all policies adopted (or may be adopted) by the Company including (if applicable):

- (a) Code of Ethics;
- (b) Dealing Code;
- (c) Anti-Bribery Policy;
- (d) Whistleblowing Policy;
- (e) Environmental policy;
- (f) Equality Diversity & Inclusion Policy;
- (g) Stakeholders Relationship Management Policy;
- (h) Disclosure Policy;
- (i) Human Rights and Modern Slavery Statement;
- (j) Risk management Policy;
- (k) Procedure for Identifying Related Party Transactions

81 **OTHER**

- 81.1 Any other matter specified in the Companies Law.
- 81.2 Approval of the appointment of the Group's principal professional advisers.
- 81.3 Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism involving above £1 million or being otherwise material to the interests of the Group.
- 81.4 Approval of the overall levels of insurance for the Group including directors' & officers' liability insurance and indemnification of directors.
- 81.5 Major changes to the rules of the Group's pension scheme, or changes of trustees or when this is subject to the approval of the Company changes in the fund management arrangements.
- 81.6 Any decision likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.
- 81.7 This schedule of matters reserved for Board decisions.
- 81.8 Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees.
- 81.9 In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.

SECTION 9
PROCEDURE FOR DIRECTORS TO TAKE INDEPENDENT PROFESSIONAL ADVICE

82 INTRODUCTION

- 82.1 Occasions may arise when directors have to seek legal or financial advice in furtherance of their duties. Directors are always able to consult the Company's advisers and it is not intended to restrict or discourage this in any way. However, the Board has adopted the procedure set out below for special circumstances where a director of the Company considers it necessary to take independent professional advice in the furtherance of his/her duties, at the Company's expense and in accordance with Section 266(a) of Israel's Companies Law, 5759-1999.
- 82.2 Any advice taken will be in his/her capacity as a director of the Company, not on behalf of the Company or of the entire Board. Advisers should be notified accordingly. Failure to follow these procedures will mean that the director concerned will be responsible for any costs incurred.
- 82.3 The procedure set out below does not cover advice concerning the personal interests of a director including matters relating to his/her service contract/employment contract or his/her dealings in the Company's securities or in relation to disputes with the Company; in such cases, the director concerned will be personally responsible for the cost of obtaining such advice. In addition, for the avoidance of doubt, these procedures shall not apply to executive directors acting in the furtherance of their executive responsibilities.

83 PROCEDURE

- 83.1 Where a director considers it necessary to take independent professional advice in furtherance of his/her duties, he/she should first consult with the Company's advisers through the Company Secretary to clarify their advice and to identify his/her concerns with them directly unless, in the circumstances, he/she reasonably considers that such consultations would be inappropriate.

- 83.2 If:

- (a) a director reasonably considers it necessary to take professional advice in furtherance of his/her duties from independent advisers and not from the Company's professional advisers; or
- (b) following consultations with the Company's advisers or where consultation is reasonably considered to be inappropriate as outlined in Clause 83.1, the director reasonably considers it necessary to take independent professional advice,

the director may take independent professional advice at the Company's expense (up to a limit of £10,000 excluding value added tax and disbursements or such higher figure as the Board may determine) after first giving notice in writing to the Company Secretary with details of the matter on which he/she is proposing to seek advice and the advisers he/she is proposing to consult together with the fee arrangements and an estimate of the costs to be incurred.

- 83.3 Where either Clause 83.2(a) or Clause 83.2(b) applies and the expenses of taking independent advice are likely to exceed £10,000 excluding value added tax and disbursements or the higher figure (if any) determined by the Board, the director should discuss his/her concerns with the chair of the Audit Committee (having first given him/her and the Company Secretary notice in writing containing the same

details as are required for a notice given under Clause 83.2) and explain why he/she considers it necessary to take independent professional advice. Following discussions with the director, the Audit Committee shall either:

- (a) authorise in writing the payment by the Company of the reasonable fees of such independent advisers as he/she approves (with or without a limit at his/her discretion) for advising the director on those matters raised by that director which the Audit Committee considers appropriate; or
- (b) set out in writing the reasons why the Audit Committee considers that there is no arguable case for the Company to pay the cost of obtaining the independent professional advice in question. The director may then require that the matter be considered by the full Board which shall determine whether or not the director should be authorised to obtain independent professional advice on the matters raised at the Company's expense. Any authority given by the Board should be in the form of an Audit Committee chair's authority as set out in Clause 83.3(a).

83.4 In his/her own case, the chair of the Audit Committee should discuss his/her concerns with the other members of the Audit Committee (having first given them and the Company Secretary notice in writing containing the same details as are required for a notice given under Clause 83.2) who shall deal with the matter in accordance with the procedure for an Audit Committee chair's authority as set out in Clause 83.3(a) or the first sentence of Clause 83.3(b).

83.5 Independent professional advice should only be sought from a professional of good standing who is duly qualified and experienced in the matter at issue.

83.6 Any director who seeks such advice must make the professional whose advice is sought aware of the terms of this procedure before he or she is formally instructed.

83.7 Where a director considers it necessary to seek independent professional advice, the matter will be included on the agenda for every meeting of the Board until the issue requiring independent advice is resolved.