

## **THE REMUNERATION COMMITTEE TERMS OF REFERENCE**

### **CONSTITUTION**

The Board has established a committee of the Board to be known as the Remuneration Committee (the "Committee"). The objective of the Committee is to consider remuneration packages designed to promote the long-term success of the Company and to ensure that Executive Directors and senior employees are compensated appropriately for their contributions to the Group's performance. In doing so it should take into account market practice, regulatory provisions and the interests of shareholders and other stakeholders. Remuneration in this context shall be interpreted in the broadest sense to include all benefits and terms of employment.

### **MEMBERSHIP**

The Committee members shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the Chair of the Committee.

The Committee shall consist of not less than three members, all of whom shall be independent Non-Executive Directors. The Chair of the Board may also serve on the Committee as an additional member if they were considered independent on appointment as Chair.

### **CHAIR**

The Chair of the Committee shall be appointed by the Board and shall be an independent Non-Executive Director who should have served on a remuneration committee for at least 12 months. In the absence of the 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. The Chair of the Board shall not be Chair of the Committee.

### **SECRETARY**

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

### **QUORUM**

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

### **ATTENDANCE AT MEETINGS**

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Chief Financial Officer, the Chief People Officer, the Vice President, Group Reward and external advisers may be invited to attend all or part of any meeting, as and when appropriate.

### **FREQUENCY OF MEETINGS**

The Committee shall meet as required but not less than twice per year.

## **NOTICE OF MEETINGS**

Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any of its members.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, and any other person required to attend and all other Non-Executive Directors generally within five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

Notices, agendas and supporting papers can be sent in electronic form.

## **MINUTES OF MEETINGS**

The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

Draft minutes of the Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless, in the opinion of the Committee Chair, it would be inappropriate to do so.

## **ENGAGEMENT WITH SHAREHOLDERS**

The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **DUTIES**

The Committee should carry out the duties below in respect of the parent company, major subsidiary undertakings and the Group as a whole, as appropriate.

The Committee shall:

- a. have delegated responsibility for determining the policy for directors' remuneration and setting remuneration for the Company's Chair and Executive Directors and senior management, including the Company Secretary, in accordance with the Principles and Provisions of the UK Corporate Governance Code (the "Code");
- b. ensure that no Director or senior manager shall be involved in any decisions as to their own remuneration. The remuneration of Non-Executive Directors shall be a matter for the Board within the limits of the Articles of Association.
- c. establish remuneration schemes that promote long-term shareholding by Executive Directors that support alignment with long-term shareholder interests, with long-term share awards subject to a total vesting and holding period of at least five years, and a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares;
- d. design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to Company purpose and values, clearly linked to the successful delivery of the Company's long-term strategy and

that enables the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances;

- e. when determining Executive Director remuneration policy, consider the Code's requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
- f. in determining remuneration policy, take into account all other factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance;
- g. review the ongoing appropriateness and relevance of the remuneration policy;
- h. within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive Officer, as appropriate, determine the total individual remuneration package of each Executive Director, the Company Chair and designated senior employees including bonuses, incentive payments and share awards. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account Company and individual performance, and wider circumstances;
- i. review the design of all share incentive plans prior to their approval by the Board and, where required, shareholders. For any such plans, determine each year whether awards will be made, and if so, their overall amount of such awards, individual awards to Executive Directors and any other designated senior employees and the performance targets to be used;
- j. review and note annually the remuneration trends across the Group;
- k. 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. However the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants;
- l. work and liaise, as necessary, with all other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly;
- m. review workforce remuneration and related policies; and
- n. have oversight of the alignment of incentive plans across the group with performance.

## **REPORTING RESPONSIBILITIES**

The Committee Chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for Board discussion when necessary.

The Committee shall provide a description of its work in the annual report in line with the requirements of the Code.

The Committee shall ensure that provisions regarding disclosure of information as set out in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report)

Regulations 2019 and the Code are fulfilled; and shall produce an annual report of the Group's implementation of its policy, which will form part of the Group's annual report and ensure each year that it is put to the shareholders for approval at the Company's annual general meeting as necessary.

If the Committee has appointed remuneration consultants, the consultant should be identified in the annual report alongside a statement about any other connection it has with the Company or individual Directors.

## **OTHER MATTERS**

The Committee shall:

- have access to sufficient resources to carry out its duties, including access to the Company Secretariat for advice and assistance as required;
- 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;
- give due consideration to all relevant laws and regulations, the provisions of the Code and published guidelines or recommendations regarding the remuneration of Company Directors and the formation and operation of share incentive plans, the requirements of the FCA's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules sourcebook, and any other applicable rules, as appropriate.
- at least annually, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **AUTHORITY**

In order to perform its duties, the Committee shall be granted full access to Company information and can seek information from any employee of the business or from the Company's advisers.

On any matters within its Terms of Reference, the Committee is further authorised, at the Company's expense, to obtain outside legal or other independent professional advice, within any budgetary restraints imposed by the Board, to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

**Approved by the Board on 21 March 2024**