

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

The Board hereby resolves to establish a Committee of the Board to be known as the Remuneration Committee (the “Committee”).

The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.

The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

1. Membership

- 1.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chair of the Committee. The Committee shall normally be made up of at least three members, all of whom are independent Non-Executive Directors. The Chair of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chair.
- 1.2 Appointments to the Committee shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the members (other than the Chair of the Board, if they are a member of the Committee) continue to be independent in the view of the Board.
- 1.3 The Board shall appoint the Committee Chair who 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. The Chair of the Board shall not be a Chair of the Committee.
- 1.4 In deciding upon the chairpersonship and membership of the Committee, the value of ensuring that membership of the Committee is refreshed and that undue reliance is not placed on particular individuals shall be taken into account.

2. Secretary

- 2.1 The Group 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.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Meetings

- 4.1 The Committee shall meet at least twice a year and at such other times as required. One meeting shall be held close to the year end to review the directors’ remuneration policy to ensure it remains appropriate.

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- 4.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Group HR Director, other Directors and external advisers may be invited to attend for all or part of any meeting as and when appropriate.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 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 Committee, any other person required or invited to attend, no later than 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.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance as well as any conflicts of interest.
- 6.2 Draft Minutes of the Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless, exceptionally, it would be inappropriate to do so.

7. Annual General Meeting

- 7.1 The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee’s activities. In addition, the Chair of the Committee should seek engagement with shareholders on significant matters related to the Committee’s areas of responsibility.

8. Duties

The Committee shall carry out the duties below for the parent Company, major subsidiary undertakings and the Group as a whole, as appropriate. The Committee shall, subject to approval as required by the Board and shareholders:

- 8.1 Determine and agree with the Board the framework or broad policy for the remuneration of the Company’s Chief Executive, Chair, the Chief Financial Officer, the Group Company Secretary, members of the Executive Management Committee and such other members of the senior management, in accordance with the Principles and Provisions of the UK Corporate Governance Code (as amended) (the “Code”).
- 8.2 Establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests, with 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.

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- 8.3 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 enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances.
- 8.4 When determining executive director remuneration policy and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.
- 8.5 No director or senior manager shall be involved in any decisions as to their own remuneration outcome. The Board itself or, where required by the Articles of Association, the shareholders should determine the remuneration of the non-executive directors within the limits set in the Articles of Association.
- 8.6 In determining such policy, take into account all factors which it deems necessary, including relevant legal and regulatory requirements, 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 ;
- 8.7 Review the ongoing appropriateness and relevance of the remuneration Policy;
- 8.8 Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to Executive Directors and other senior managers and the performance targets to be used;
- 8.9 Determine the policy for, and scope of, pension arrangements for each Executive Director and other designated senior executives;
- 8.10 Determine the policy in relation to compensation agreed to be paid to any Executive Director in connection with early termination of employment and, where appropriate, office as director and ensure that contractual terms on termination, and any payments made, are fair to the individuals, and to the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 8.11 Within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive, as appropriate, determine the total individual remuneration package of the Chair and each Executive Director, the Group Company Secretary, members of the Executive Management Committee and such other members of the senior management, including bonuses, incentive payments and share options or other 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 of company and individual performance, and wider circumstances;

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- 8.12 Review and note annually the remuneration trends across the Company or Group and, when setting remuneration policy for Directors, be sensitive to pay and employment conditions elsewhere in the Company or Group;
- 8.13 Review workforce remuneration and related policies;
- 8.14 Agree the policy for authorising claims for expenses from the Chief Executive and Chair;
- 8.15 Be exclusively responsible for establishing the criteria for selecting, appointing and settling the terms of reference for any remuneration consultants who advise the Committee; and
- 8.16 Work and liaise as necessary with other board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

9. Reporting Responsibilities

- 9.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, including recommendations and actions to be taken.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall provide a description of its work in the annual report in line with the requirements of the Code.
- 9.4 The Committee shall also ensure that provisions regarding disclosure of information as set out in The Companies (Directors’ Remuneration Policy and Directors’ Remuneration Report) Regulations 2019 (as amended from time to time) and the Code are fulfilled, and that a report on the directors’ remuneration policy and practices is included in the Company’s annual report and put to shareholders for approval at the AGM as necessary.
- 9.5 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
- 9.6 Through the Committee Chair, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

10. Other

- 10.1 The Committee shall:
 - a. have access to sufficient resources in order to carry out its duties including access to the Company Secretariat for advice and assistance as required; and
 - 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.

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10.2 In carrying out its duties, the Committee shall give due consideration to any relevant legal and regulatory requirements, the provisions and recommendations in the Code and the FCA's Listing Rules, Prospectus and Disclosure Guidance and Transparency Rules and associated guidance and any other applicable Rules, as appropriate.

11. Authority

11.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

11.2 The Committee shall have full authority to commission any reports, surveys or information which it deems necessary to help it fulfil its obligations, within any budgetary restraints imposed by the Board.

11.3 In connection with its duties the Committee is authorised by the Board to obtain, at the Company's expense, any outside or legal or other professional advice.

12. Publication of the terms of reference

12.1 These terms of reference shall be made available by publication on the Company's website with an explanation of the Committee's role and the authority delegated to it by the Board.

By Order of the Board

8 May 2024