

REMUNERATION COMMITTEE TERMS OF REFERENCE

Status

These terms of reference were adopted by the Board and the Remuneration Committee (“The Committee”) on 24 January 2024.

Membership

All Committee members shall be independent non-executive directors of the Company. The Chairman of the Board can only be a member if they were independent upon appointment. The Committee shall consist of not less than three members. A quorum shall be two members. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chairman of the Committee.

The Board shall appoint the Chairman of the Committee from amongst the independent non-executive directors. The Chairman of the Committee must have served on a remuneration committee for at least 12 months to be eligible for appointment. In the absence of the Chairman of the Committee 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 Chairman of the Board shall not be the chair of the Committee.

Secretary

The secretary of the Company shall be the secretary of the Committee and will ensure that the Committee received information and papers in a timely manner to enable full and proper consideration to be given to the issues.

Attendance at meetings

No one other than the Committee members shall be entitled to attend Committee meetings.

However, other individuals such as the Chief Executive, internal specialists and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

Frequency of meetings

Meetings shall be held twice per annum and ad-hoc meetings will be scheduled as required.

Notice of meetings

Meetings shall be convened by the secretary of the Committee at the request of any of its members.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting 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 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.

Annual General Meeting and Shareholder Engagement

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

Authority

The 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.

Duties and Responsibilities

The Committee should carry out the duties detailed below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate :

The Committee shall:

- have delegated responsibility for determining the policy for directors' remuneration and setting remuneration for the Chairman of the Board, executive directors and senior management, in accordance with the principles and provisions of the UK Corporate Governance Code ("The Code"). The remuneration of non-executive directors shall be a matter for the executive members of the Board, 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;
- establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests;
- design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to Company purpose, values and risk appetite, 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;
- when determining executive director remuneration policy and practices, consider the Code requirements for clarity, simplicity, risks associated with excessive awards, predictability, proportionality (the link between individual awards, outcomes should not reward poor performance) and alignment to culture;
- no director or senior manager shall be involved in any decisions as to their own remuneration outcome.
- 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. 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 necessary, having regard to views of shareholders and other stakeholders;
- consider and, if thought appropriate, engage with the workforce to explain how the remuneration of the executive directors aligns with the Company's wider pay policy;
- review the ongoing appropriateness and relevance of the remuneration policy to ensure that it is aligned with the Company's purpose, values and risk appetite and the successful delivery of the Company's long-term strategy;
- within the terms of the agreed policy and in consultation of the Chairman of the Committee and / or the Chief Executive, as appropriate, determine the total individual remuneration package of each executive director, the Chairman of the Board and senior managers 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;
- ensure the contractual terms on termination of any executive director, and any proposed payments, are appropriate and fair to both the individual and the Company, and underperformance is not rewarded;
- 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;

- review the design of all share incentive plans for approval by the Board and, where required, 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 for executive directors and senior managers, and the performance targets used;
- manage potential conflicts of interest in the process of determining remuneration.
- review staff remuneration and related policies; and
- work and liaise as necessary with other board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

Reporting

The Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and how it has discharged the same and shall make recommendations to the Board that it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for Board discussions where necessary.

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, the Code, and any other relevant laws, regulations and codes of practice are fulfilled, and that a report on the directors' remuneration policy and practices is included in the Company's annual report and ensure that it is put to shareholders for approval at the AGM 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.

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 to all members of the Committee and, once approved, to all members of the Board no later than two weeks following the date of the meeting unless, exceptionally, it would be inappropriate to do so.

Other Matters

The Committee shall:

- have access to sufficient resources in order to carry out its duties, including access to the Company Secretary 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 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; and
- ensure that a periodic evaluation of the Committee's own performance is carried out.

Annual Review

The Committee shall annually review its terms of reference to ensure it is operating at maximum effectiveness and recommend to the Board any changes for approval.