

## **Remuneration Committee Terms of Reference**

### **1. Membership**

1.1 The Committee shall comprise at least two 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 he or she was considered independent on appointment as Chair. Members of the Committee shall be appointed by the Board, on the recommendation of the nomination Committee and in consultation with the Chair of the remuneration Committee.

1.2 Only members of the Committee have the right to attend and vote at Committee meetings, with, if required, the Chair having a casting vote. However, other individuals such as the chief executive, the director of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

1.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members (other than the Chair of the Board, if he or she is a member of the Committee) continue to be independent.

1.4 The Board shall appoint the Committee Chair who shall be an independent non-executive director and should have served on a remuneration Committee for at least 12 months prior to appointment. 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.

1.5 Each member of the Committee shall disclose to the Committee:

(a) any personal financial interest (other than as a Shareholder) in any matter to be decided by the Committee; or

(b) any potential conflict of interest arising from a cross-directorship.

1.6 Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so requested by the Board) shall resign from the Committee.

### **2. Secretary**

The company secretary or his or her 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**

The quorum necessary for the transaction of business shall be two present in person or by audio or video conference.

### **4. Meetings**

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

## **5. Notice of meetings**

5.1 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.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting.  
Committee

## **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.

6.2 Draft minutes of Committee meetings shall be agreed by the Chair and then circulated 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.

## **7. Annual general meeting and 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 Chair should seek engagement with Shareholders on significant matters related to the committee's area of responsibility.

## **8. Duties**

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:

8.1 Have responsibility for determining the remuneration for all Executive Directors and members of the Executive Committee and for having oversight of the remuneration of the Leadership Group. 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. No director or member of the Leadership Group shall be involved in any decisions as to their own remuneration.

8.2 In determining the remuneration for all Executive Directors and members of the Executive Committee, the Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code ('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 risk appetite of the company and alignment to the company's long strategic term 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.

8.3 When setting remuneration policy for directors, review and have regard to pay and employment conditions across the company or Group, especially when determining annual salary increases.

8.4 Review the on-going appropriateness and relevance of the remuneration policy.

8.5 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 each executive director, the company Chair and other designated senior executives including bonuses, incentive payments and share options or other share awards.

8.6 Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the 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.

8.7 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

8.8 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 (in accordance with the provisions in Schedule A of the Code).

8.9 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, company secretary and other designated senior executives and the performance targets to be used.

8.10 Determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives.

8.11 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.

8.12 Oversee any major changes in employee benefits structures throughout the company or Group.

8.13 Agree the policy for authorising claims for expenses from the directors.

8.14 Work and liaise as necessary with all other Board Committees.

## **9. Reporting responsibilities**

9.1 The Committee Chair shall report to the Board after each meeting on its discussions, recommendations and actions to be taken on all matters within its duties and responsibilities.

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 ensure that proper disclosure of information, including pensions, as

set out in the Companies Act 2006, Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 the Code and the Financial Conduct Authority's ('FCA') Listing Rules, are fulfilled and that a report of the director's remuneration policy and practices is included in the company's annual report and put to Shareholders for approval at the AGM as necessary. If the Committee has appointed remuneration consultants, the annual report on remuneration should identify such consultants and state whether they have any other connection with the company.

9.4 Through the Chair of the Board, ensure that the company maintains contact as required with its principal Shareholders about remuneration.

## **10. Other matters**

The Committee shall:

10.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.

10.2 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.

10.3 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 Code, the requirements of the FCA's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, guidelines from Shareholder representative bodies or best practice guidance as appropriate.

10.4 Arrange for periodic reviews of its own performance and, at least annually, review its 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.

## **11. 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.

Approved by the Board  
28 February 2024