

REMUNERATION COMMITTEE

Terms of Reference

Version adopted 5 December 2024

1. Constitution

The Board of directors of the Company (the 'Board') has established a committee of the Board known as the Remuneration Committee (the 'Committee') for the purpose of providing the Company with a formal and transparent procedure for developing its policy on executive remuneration and determining the remuneration of the directors and senior management.

2. Membership

- 2.1 The Committee shall comprise at least 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 (but not as chair of the Committee) if they were considered independent on appointment as Chair.
- 2.2 Appointments to the Committee are made by the Board, on the recommendation of the Nomination Committee and in consultation with the chair of the Committee. 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 members (other than the chair of the Board, if they are a member of the Committee) continue to be independent.
- 2.3 The Board shall appoint the chair of the Committee, who shall be an independent non-executive director and who should have served on a remuneration committee for at least 12 months. In the absence of the chair 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.
- 2.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chief executive, other Board members and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

3. Secretary

The company secretary or their nominee shall be 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.

4. Quorum

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

5. Frequency of meetings

5.1 The Committee shall meet at least twice a year and at such other times as required.

6. Notice of meetings

6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the chair of the Committee or any of its members.

6.2 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 and any other person required to attend at least five days before the date of the meeting.

7. Minutes of meetings

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

7.2 Draft minutes of 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, exceptionally, it would be inappropriate to do so.

8. Engagement with shareholders

The chair of the Committee should attend the annual general meeting to answer 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.

9. Duties

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

The Committee shall

9.1 have delegated responsibility for determining the policy for directors' remuneration and benefits, including pension rights and compensation payments (the 'Remuneration Policy') in accordance with the Principles and Provisions of the UK Corporate Governance Code (the 'Code').

9.2 set the remuneration of the Company's chair, executive directors and senior management (in the case of the Company, senior management has been defined as the individuals appointed to the Group Management Team which includes the company secretary).

9.3 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 vested and unvested shares.

- 9.4 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.
- 9.5 In determining the Remuneration Policy and practices, the Committee shall consider
- the Code's requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
 - the need to attract, retain and motivate executive management of the quality required to promote the long-term success of the Company and the alignment to the Company's purpose and Core Values without paying more than is necessary, having regard to views of shareholders and other stakeholders;
 - all other factors it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance; and
 - the range of possible values of rewards to individual directors and any other limits or discretions are identified and explained at the time of recommending the Remuneration Policy for shareholder approval.

The Committee shall

- 9.6 review workforce remuneration and related policies and the alignment of incentives and awards with culture, taking these into account when setting the Remuneration Policy or determining salary increases.
- 9.7 review the ongoing appropriateness and relevance of the Remuneration Policy.
- 9.8 determine the components and levels that make up the total remuneration package of each executive director and the Company chair, within the terms of the agreed Remuneration Policy and in consultation with the chair and/or chief executive, as appropriate. The remuneration of non-executive directors shall be a matter for the Board, having regard to the increases in wider workforce remuneration, the time commitment and responsibilities of the role and within the limits set out in the Company's Articles of Association. No director or senior manager shall be involved in any decisions as to their own remuneration or remuneration outcome.
- 9.9 in consultation with the chief executive, as appropriate, review and set the components, level and structure of the total individual remuneration package for each member of senior management.

- 9.10 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 constraints imposed by the Board.
- 9.11 establish the selection criteria, select, appoint and set the terms of reference for any remuneration consultants who advise the Committee.
- 9.12 review and approve the design of all share incentive plans for approval by the Board and, where required shareholders. For any such plans, the Committee shall determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to the executive directors, senior management and other designated senior executives and the performance targets to be used.
- 9.13 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.
- 9.14 be aware of any major changes in employee benefits structures throughout the Company or the Group.
- 9.15 agree the policy for authorising claims for expenses from the Company's chair and the chief executive.
- 9.16 work and liaise as necessary with all other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

10. Reporting responsibilities

- 10.1 The chair of the Committee shall report to the Board on its proceedings after each meeting. 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.
- 10.2 The Committee shall provide a description of its work to be included in the Company's annual report in line with the requirements of the Code.
- 10.3 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 and the Code are fulfilled, and that a report on the Remuneration Policy and practices is included in the Company's annual report and put to shareholders for approval at the annual general meeting as necessary.
- 10.4 If the Committee has appointed remuneration consultants, the consultants should be identified in the annual report alongside a statement about any other connection they have with the Company or individual directors.

11. Other matters

The Committee shall

- 11.1 have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- 11.2 seek information it requires from any officer or employee of the Company or Group in order to perform its duties;
- 11.3 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;
- 11.4 give due consideration to all relevant laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of 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 Rules, Prospectus Rules and Disclosure Guidelines and Transparency Rules sourcebook as well as guidelines published by any investor bodies or any other applicable rules, as appropriate;
- 11.5 to help it fulfil its duties, the Committee may at the Company's expense, obtain external legal or other professional advice on any matters within its terms of reference;
- 11.6 ensure a periodic review of its performance is carried out; and
- 11.7 regularly review its terms of reference to ensure it is operating effectively and recommend any changes necessary to the Board.