

Remuneration Committee Terms of Reference

Role

The primary role of the Remuneration Committee is:

- To set and review the remuneration policy and practices for Executive Directors and senior executive management so as to support strategy and promote the long-term success of the Company;
- To oversee the Company's overall remuneration strategy and ensure it is aligned to the Company's purpose and culture and clearly linked to the successful delivery of the Company's long-term strategy; and
- To scrutinise the performance of the Company and of individuals under the Committee's remit to ensure that remuneration payments are appropriate for the level of performance achieved.

Duties

Directors' remuneration policy and Company remuneration strategy

1. The Committee shall be responsible for determining the remuneration policy for all Executive Directors and setting remuneration for the Company Chair, Executive Directors and Senior Management, being the Executive Committee (other than the Executive Directors) and such other members of the executive management as considered appropriate. The Directors' remuneration policy shall be presented for shareholder approval when amended and as frequently as otherwise required by governing regulations. The remuneration policy for Non-Executive Directors (including the Senior Independent Director) shall be set by the Company Chair and Executive Directors.
2. When setting the Directors' remuneration policy and remuneration strategy for executive management, the Committee shall review and take into account workforce remuneration and related policies. When determining the Directors' remuneration policy and strategy, the Committee will consider all relevant factors including its clarity, simplicity, risk alignment, predictability, proportionality and its alignment with culture.
3. The Committee shall review workforce remuneration and related policies and the alignment of incentives and rewards with culture. In discharging this duty the Committee shall have regard to the output and recommendations made by the ESG Committee regarding workforce engagement mechanisms.
4. No director or executive shall be involved in any decisions relating to his or her own remuneration.
5. In determining the Directors' remuneration policy and overseeing the effectiveness of the remuneration strategy, the Committee shall take into account all factors which it deems necessary, including the Company's strategy and risk appetite and any relevant legal or regulatory requirements, including the interests of shareholders, employees and other stakeholders and the other factors set out in paragraphs (a) to (f) of s 172 of the Companies Act 2006.
6. The policy and remuneration strategy shall be designed to:
 - 6.1. support strategy and promote long-term sustainable success;

- 6.2. align executive remuneration to Company purpose and be clearly linked to the successful delivery of the Company's long-term strategy;
 - 6.3. ensure executive remuneration takes account of the Company's ESG goals;
 - 6.4. challenge and consider issues around diversity, inclusion and unconscious bias in remuneration structures;
 - 6.5. attract and retain talented individuals;
 - 6.6. promote long-term shareholding by executive directors that support alignment with long-term shareholder interests;
 - 6.7. provide appropriate incentives to encourage enhanced performance;
 - 6.8. enable the use of discretion to override formulaic outcomes; and
 - 6.9. ensure Executive Directors, Senior Management and employees are motivated and rewarded for their individual contribution to the success of the Company in a fair and responsible manner
7. The Committee shall regularly review the appropriateness of the remuneration policy for Executive Directors, having regard to the views of investors and investor advisory bodies.
 8. Within the terms of the approved Directors' remuneration policy (as applicable) and in accordance with the Company remuneration strategy, the Committee shall determine the total individual remuneration package of each Executive Director, each member of Senior Management, including upon appointment and upon termination. This shall include pension arrangements and, where appropriate, individual annual incentive awards and awards under the Company's long-term incentive arrangements or other share plans.

Employee share plans and performance related pay

9. The Committee shall determine the design, including, where applicable, performance measures and clawback provisions, of all annual and long-term incentive arrangements and other employee share plans operated by the Company. The Committee shall ask the Board, when appropriate, to seek shareholder approval for such arrangements.
10. The Committee shall monitor performance against the conditions attached to all long-term incentive arrangements and shall monitor performance against the measures attached to the annual incentive arrangements of the Executive Directors and the members of Senior Management. The Committee shall approve the payment outturns for these long-term and annual incentive awards, seeking independent verification where appropriate.
11. The Committee shall ensure that a significant proportion of the potential remuneration package of each Executive Director and member of Senior Management is linked to corporate and individual performance.

Service Agreements and payments

12. The Committee shall determine the service agreements for the Executive Directors, and, where appropriate, determine any commencement or termination arrangements and any compensation commitments, in line with the approved Directors' remuneration policy.
13. In determining Executive Directors' remuneration packages and service arrangements the Committee shall give due regard to the provisions and recommendations of the UK Corporate Governance Code, the Financial Conduct Authority's Listing Rules and such other guidance as may be appropriate.

14. When determining any payment or award, the Committee shall consider the Company's risk appetite and shall satisfy itself that the level of risk associated with activities undertaken is appropriate, taking into account the views of the Audit Committee on alignment of risk and award.

Pensions

15. The Committee shall review the pension arrangements and consider:
 - 15.1. the alignment of pension contribution rates, or payments in lieu, for Executive Directors and Senior Management with those available to the workforce; and
 - 15.2. the pension consequences and associated costs to the Company of basic salary increases and other changes in pensionable remuneration, particularly for directors close to retirement, when compared to workforce arrangements.

Remuneration reporting

16. The Committee shall approve the annual report on Directors' remuneration to be included in the Company's annual report and accounts and presented for shareholder approval at the Company's annual general meeting.
17. The Committee shall approve the presentation of the Directors' remuneration policy, or a summary thereof, to be included within the Company's annual report and, if required, to be presented for shareholder approval at the Company's annual general meeting.
18. The Committee shall ensure that provisions regarding disclosure of remuneration, including pensions, as listed in the Companies Act 2006 and related regulations (including Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (relating to the Directors Remuneration Report)), the UK Corporate Governance Code, the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and any other applicable regulation are fulfilled.

Reporting & Relationships with other Committees

19. The Committee will report formally to the Board after each meeting on the decisions taken at the meeting.
20. A joint meeting will be held with the ESG Committee once per year consisting of the respective quorums of each Committee to consider the indicators of the cultural health of the Company and in particular to enable the Committee to understand what consideration should be given to them in remuneration matters.

General

21. The Committee will:
 - review annually the Committee's effectiveness and terms of reference and recommend any changes to the terms of reference for approval by the Board;
 - ensure the Company maintains contact as required with its principal shareholders about remuneration through either the Company Chair or the Remuneration Committee Chair;
 - consider appropriate training for any members of the Committee; and
 - be aware of developments in and give due regard to applicable laws, regulations, codes and any other rules and guidance.
22. The Committee may delegate authority to any of its members or attendees as appropriate

to review and approve remuneration arrangements and to facilitate the implementation of decisions of the Committee

23. The following governance matters are dealt with in the Remuneration Committee's Governance Protocols included as an appendix to this document:

- Membership and quorum;
- Secretary, notice of meetings and minutes of meetings;
- Frequency of meetings and attendees; and
- Information and advice.

Approved by the Board of Directors on 12 May 2022

Appendix: Governance Protocols

<p>Membership, quorum and voting</p>	<ul style="list-style-type: none"> • The Committee shall have a minimum of three members. All members of the Committee are required to be independent Non-Executive Directors. • Members shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Remuneration Committee Chair. • The Chair of the Board may be a member of the Committee if he or she was considered to be independent on appointment as Chair. The Chair of the Board shall not chair the Committee. • The Remuneration Committee Chair shall be appointed by the Board, should have served on a remuneration committee for at least 12 months and should attend the annual general meeting and be available to answer any questions which may be raised by shareholders on matters within the Committee’s area of responsibility. • A quorum shall be two members. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting. • Each member of the Committee shall have one vote.
<p>Secretary, notice of meetings and minutes</p>	<ul style="list-style-type: none"> • The Company Secretary, or his or her nominee, shall act as the secretary to the Committee. • At least five working days’ notice will be given of all meetings unless all members agree to shorter notice. • The agenda and papers for each meeting shall be circulated by the secretary in advance of each meeting at such time as to allow sufficient consideration of the papers before the meeting, being usually no fewer than five working days prior to the date of the meeting. • The secretary will minute the proceedings of each meeting which will be circulated to all members and will be available to the Board, unless the Remuneration Committee Chair considers this inappropriate.
<p>Frequency of meetings and attendees</p>	<ul style="list-style-type: none"> • The Committee shall schedule an annual timetable of at least three meetings and shall also meet at such other times as the Remuneration Committee Chair shall require. • In addition, the Committee shall meet with the ESG Committee at least once per year consisting of the respective quorums of each Committee. • Only members of the Committee are entitled to attend and vote at meetings. The Remuneration Committee Chair may invite any Director, employee or third party to attend any meeting of the Committee.
<p>Information and advice</p>	<p>The Committee is authorised to:</p> <ul style="list-style-type: none"> • Investigate any activity within its terms of reference; • Seek any information it requires from any employee of the Company in order to perform its duties; • Select, appoint and set the terms of reference of any independent remuneration consultant or consultants and obtain, at the Company’s expense, any other independent professional advice on any matter it believes necessary to do so; and • Call any employee to attend and answer questions at any meeting of the Committee.