

**SHAFTESBURY CAPITAL PLC****TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE****1. Membership and attendance**

- 1.1 The Committee shall comprise at least three members, all of whom shall be independent Non-executive Directors. Members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the Committee Chair. The Chair of the Board may also serve on the Committee as an additional member if they were considered independent on appointment as Chair of the Board.
- 1.2 Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods (provided that the criteria for membership of the Committee continue to be met).
- 1.3 The Board shall appoint the Committee Chair, who shall be an independent Non-executive Director who should have served on the remuneration committee of any company for a period of at least twelve months prior to appointment as Committee Chair. The Chair of the Board shall not be Committee Chair. 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.
- 1.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Chair of the Board, members of senior management and external advisers may be invited by the Committee Chair or a majority of the Committee to attend for all or part of any meeting, as and when appropriate.
- 1.5 The Chief Executive will be invited to attend meetings when the Committee considers any matter relating to the Chief Financial Officer, the Executive Directors, other Senior Managers (as defined in paragraph 8.3 below) or to directors of a subsidiary company, or other remuneration issues where the Committee requests his advice or input.
- 1.6 At the beginning of any meeting, each Director should declare to the Secretary the existence of any potential conflict of interest affecting him in respect of any matter to be discussed and should absent himself from any discussion of or voting on any such matter.

**2. Secretary**

- 2.1 The Company Secretary or their nominee shall act as 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 matters included in meeting agendas.

**3. Quorum and voting**

- 3.1 The quorum necessary for the transaction of business shall be two members.
- 3.2 Video conferencing or teleconferencing may be used as appropriate.

**4. Frequency of meetings**

- 4.1 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 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, 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. 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 recording the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated promptly to the Committee Chair.
- 6.3 The minutes, or a summary of them, shall be submitted to the Board at the next full Board meeting, unless it would be inappropriate to do so in the opinion of the Committee Chair.

## **7. Engagement with shareholders**

- 7.1 The Committee Chair shall attend the Company's AGM to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility where appropriate.

## **8. Duties and responsibilities**

The Committee should carry out the duties below for the Company, its major subsidiary undertakings and the Group as a whole, as appropriate.

### *Appointment of remuneration consultants and use of third parties*

- 8.1 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, within any budgetary constraints imposed by the Board.
- 8.2 The Committee shall be exclusively responsible for establishing the selection criteria, and for selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee. If the Committee has appointed remuneration consultants:
- (i) The Committee should exercise independent judgement when evaluating the advice of any remuneration consultants or other third parties; and
  - (ii) the annual director's remuneration report should identify such consultants, and include a statement of their independence.

### *Remuneration Policy*

- 8.3 The Committee shall determine the framework or remuneration policy (the "Directors' Remuneration Policy") for the Chief Executive and the Chief Financial Officer (together the "Group Executive Directors"). The Committee shall also determine the framework or remuneration policy for i) the Chair of the Board and ii) the Executive Directors, the Company Secretary and any other senior management of the Company for which the Committee is determined to have responsibility (collectively, the "Senior Managers").
- 8.4 When setting the Directors' Remuneration Policy, the Committee shall have regard to:
- (i) the need to attract, retain and motivate individuals of the quality required to run the Company successfully in line with the Company's purpose, values, culture and strategy;

- (ii) whether individuals are rewarded in a fair and responsible manner and provided with appropriate incentives to encourage enhanced performance and are rewarded for their individual contributions;
  - (iii) all relevant legal and regulatory requirements, the contents of the UK Corporate Governance Code (the “Code”) as well as the Financial Conduct Authority’s Listing, Prospectus and Disclosure Guidance and Transparency Rules and associated guidance;
  - (iv) the views of shareholders and other stakeholders;
  - (v) designing remuneration policies and practices that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances; and ensuring Directors’ contracts and/or other agreements or documents which cover director remuneration include relevant provisions enabling the company to recover and/or withhold sums or share awards, and ensuring the circumstances in which it would be appropriate to do so are specified;
  - (vi) that a significant proportion of remuneration of Group Executive Directors should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company; and
  - (vii) when determining Group Executive Director remuneration policy and practices, consider the following:
    - the risk appetite and risk management strategy of the Company, and alignment with the Company’s risk policies, systems and long-term strategic goals ensuring reputational and other risks from excessive rewards, and behavioural risks that may arise from target-based incentive plans are identified and mitigated;
    - the link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear, so that individuals are not rewarded for poor performance;
    - the preference for remuneration structures to avoid complexity, and their rationale and operation should be easily understandable;
    - the promotion of long-term shareholdings by Group Executive Directors that support alignment with shareholder interests;
    - the need for the range of possible values of rewards to individual Group Executive Directors and any other limits of discretions should be identified and explained at the time of approving the Directors’ Remuneration Policy;
    - pay and employment conditions across the Company, especially when determining annual salary increases; and
    - the need for clarity on remuneration arrangements across the Company to promote effective engagement with shareholders and the workforce.
- 8.5 The Committee shall periodically review the ongoing appropriateness and relevance of the Directors’ Remuneration Policy.

*Setting remuneration*

- 8.6 The Committee shall determine the total individual remuneration package of each of:
- (i) the Chair of the Board;
  - (ii) the Group Executive Directors; and
  - (iii) the Senior Managers (as defined in 8.3 above),
- including, but not limited to (and where appropriate):
- (i) base salary (or annual fees);
  - (ii) benefits or payments in kind;
  - (iii) the quantum and terms of participation in any bonuses;
  - (iv) pension entitlements (or cash in lieu of pension); and
  - (v) the terms of participation in any share incentive plans (and any related terms and/or performance targets).

*Share incentive and performance-related plans*

- 8.7 The Committee shall 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 the Senior Managers, and the performance targets to be used.
- 8.8 The Committee shall approve the design of, and determine targets for, any performance-related pay schemes operated by the Company (including any annual bonus arrangements or long-term incentive schemes), and approve the total annual payments or grants made under such schemes (in accordance with the provisions of the Code).
- 8.9 The Committee shall monitor and assess any performance measures applicable to performance-related schemes and ensure each measure is fully explained and linked to the enhancement of shareholder value.

*Pensions*

- 8.10 The Committee shall determine the policy for and scope of pension arrangements for the Senior Managers, having regard to the pension policies and practices for the Group's wider workforce.

*Service contracts and termination*

- 8.11 The Committee shall ensure that contractual terms for Group Executive Directors on termination, and any payments made, are within the approved Directors' Remuneration Policy (or if outside the policy approved by shareholders in a general meeting), are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

*Review of wider workforce remuneration*

- 8.12 The Committee shall periodically review employees' remuneration policies and practices across the Group.
- 8.13 The Committee shall be aware of, and advise on, any major changes in employee benefit structures throughout the Group.

*Share ownership guidelines*

- 8.14 The Committee shall be responsible for determining and monitoring any share ownership requirements for Group Executive Directors.

*General*

The Committee shall:

- 8.15 independently exercise any discretion or judgement on remuneration issued in accordance with the Directors' Remuneration Policy or the terms of any share incentive plan or performance-related pay scheme, taking account of Company and individual performance, and wider circumstances;
- 8.16 consider the application of any malus or clawback provisions, and the extent to which such provisions should be applied; and
- 8.17 agree the policy for authorising claims for expenses from Group Executive Directors and the Chair of the Board.
- 8.18 The remuneration of Non-executive Directors will be a matter for determination by the Board.
- 8.19 No person shall be involved in any decisions as to their own remuneration.
- 8.21 Work and liaise as necessary with other Board committees.

**9. Reporting responsibilities**

- 9.1 The Committee Chair shall report verbally to the Board on its proceedings after each meeting on all matters of importance within the Committee's 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, and adequate time should be made available for Board discussion when necessary.
- 9.3 The Committee shall ensure that provisions regarding disclosure of remuneration, including pensions, 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 Committee's work, the Directors' Remuneration Policy and the Company's remuneration practices is included in the Company's annual report and put to shareholders for approval or an advisory vote at the AGM as necessary.

**10. Other matters**

The Committee shall:

- 10.1 have access to sufficient resources to carry out its duties, including access to the Company Secretary for advice and assistance as required;
- 10.2 be provided with appropriate and timely training, both in the form of an induction programme for new Committee members and on an ongoing basis for all members of the Committee;
- 10.3 give due consideration to laws and regulations and any published guidelines or recommendations regarding the remuneration 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 Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;

- 10.4 make publicly available its terms of reference by placing them on the Company's website; and
- 10.5 arrange for periodic reviews of its own performance, and at least annually, review its constitution and terms of reference with a view to ensuring that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 10.6 The Committee Chair shall review membership of the Committee annually as part of the annual performance review.

#### **11. Authority**

The Committee is authorised:

- 11.1 to seek any information it requires from any employee of the Company in order to perform its duties; and
- 11.2 to obtain, at the Company's expense, independent legal or other professional advice on any matters within its terms of reference.

*Approved by the Board on 20 November 2024.*