

SHAFTESBURY CAPITAL PLC

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. Membership

- 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 Chair of the Committee. 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 12 months prior to appointment as Chair of the Committee. The Chair of the Board shall not be Chair of the Committee. 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 to 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 Chairman, members of senior management and external advisers may be invited by the Chair of the Committee 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 Executive Directors (other than himself), other Senior Managers (as defined in paragraph 5 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 nominee) shall act as the Secretary of the Committee (the "Secretary") 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 nonexecutive 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.

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 following 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 Chair of the Committee shall attend the AGM of the Company to answer any shareholder questions related to 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 where appropriate.

8. Duties and responsibilities

The Committee should carry out the duties below for the parent company, operating subsidiary companies 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 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 Report on Remuneration should identify such consultants, and include a statement of their independence.

Remuneration Policy

The Committee shall:

8.3 Determine the framework or remuneration policy for all Executive Directors (the "Directors' Remuneration Policy"), the Chair of the Board, employees at the level below the Board, and the Company Secretary and have responsibility for setting the remuneration of the Chairman, the executive Directors and the Company Secretary, including pension arrangements and compensation payments.

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 as well as the Financial Conduct Authority's Listing Rules and associated guidance;
- (iv) the views of shareholders and other stakeholders;
- (v) the retention of discretion to recover or withhold amounts of share awards ('malus and clawback') and to scale back remuneration outcomes under appropriate specified circumstances.
- (vi) that a significant proportion of remuneration of 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 Executive Director remuneration policy and practices, consider the UK Corporate Governance Code (the "Code") requirements for simplicity, clarity, risk mitigation and predictability, proportionality and alignment to culture, including:
 - 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 need for the range of possible values of rewards to individual directors and any other limits of discretions should be identified and explained at the time of approving the 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) executive directors of the Company;
- (iii) members of the Executive Committee;
- (iv) the Company Secretary; and
- (v) any other senior executives of the Company that the Committee is determined to have responsibility for,

(and, together, referred to in these Terms of Reference as "Senior Managers"), 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 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 employees at the level below the Board, and the performance targets to be used.
- 8.8 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 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 Determine the policy for and scope of pension arrangements for each Executive Director and Senior Managers, having regard to the pension policies and practices for the Group's wider workforce.

Service contracts and termination

- 8.11 Ensure that contractual terms for Executive Directors on termination, and any payments made, are within the approved remuneration policy (or if outside the policy approved by shareholders in 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 Periodically review employees' remuneration policies and practices across the Company or Group.
- 8.13 Be aware of, and advise on, any major changes in employee benefit structures throughout the Company or Group.

Share ownership guidelines

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

General

The Committee shall:

- 8.15 independently exercise any discretion or judgement on remuneration issued in accordance with the 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;

- 8.17 agree the policy for authorising claims for expenses from Executive Directors and the Chair of the Board;
- 8.18 if 20% or more of votes have been cast against any binding or advisory resolution relating to any aspect of remuneration (including any resolution referred to in paragraph 5.15(e) above), assist the Board in:
- (i) preparing an explanation of the actions that the Company intends to take to consult shareholders to understand the reasons behind the result, to be included in the announcement of voting results on the relevant resolution;
 - (ii) within six months of the date of the relevant resolution, publishing an update on the views received from shareholders following the shareholder consultation and the actions that the Company has taken in response; and
 - (iii) in the next annual report prepared following the relevant resolution (and, if necessary, in the explanatory notes to the resolutions circulated in advance of the next shareholders' meeting), provide a summary of the impact of the feedback received from shareholders on the decisions of the Board and/or Committee and any actions or resolutions that are proposed;
- 8.19 The remuneration of non-Executive directors will be a matter for determination by the Chairman of the Board and Executive members of the Board.
- 8.20 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 Chair of the Committee shall report verbally to the Board after each meeting on any 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.
- 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 Directors' Remuneration Policy and 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/nonlisted 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 sourcebook and any other applicable Rules, as appropriate.
- 10.4 Make available to the public, on the Company's website, the Committee's terms of reference.
- 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, recommending any changes to the Board for approval;

10.6 The Committee Chairman 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 By the Board to obtain, at the Company's expense, such outside legal or other professional advice on any matters within its terms of reference .

Approved by the Board on 6 March 2023.