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# Remuneration Committee

## Terms of Reference

### A. Purpose

The role of the Remuneration Committee is to determine the framework and policy on terms of engagement (including remuneration) of the Chairman, Executive Directors, members of the Management Board and the Company Secretary, and the specific remuneration of each Executive Director, each member of the Management Board and the Company Secretary (including entitlements under share incentive schemes and pension schemes) and any compensation payments. Fees payable to Non-Executive Directors are determined by the Main Board on the recommendation of the Chairman and Chief Executive.

### B. Membership and Procedures

The Remuneration Committee is appointed by the Main Board and comprises at least three members, all of whom shall be independent Non-Executive Directors as determined by the Main Board, in accordance with the provisions of the UK Corporate Governance Code, applicable US federal securities laws and regulations and NYSE listing standards. The quorum is any two members of the Committee.

The Committee chairman will be appointed by the Main Board and will have served on a Remuneration Committee for at least 12 months prior to appointment as Committee Chairman by the Main Board. In the absence of the Committee Chairman at any Committee meeting, the members present will elect one of their number to chair the meeting.

The Chairman and the Chief Executive are required to attend meetings of the Remuneration Committee to discuss the performance of the Executive Directors, other members of the Management Board and the Company Secretary (except when their own remuneration is under review) and to make proposals as appropriate. The Director, Talent & Culture, attends meetings of the Committee (other than when his or her own remuneration is under review). The Group Head of Reward also attends meetings of the Committee and other senior management may attend by invitation. No one other than the Committee chairman and members will be entitled as of right to attend or vote at a meeting of the Committee.

The Company Secretary or his or her nominee will act as the Secretary of the Remuneration Committee (except when his or her own remuneration is under review) and will prepare minutes for circulation to all members of the Main Board. The Company Secretary will also keep a record of the membership of and the dates of changes to the membership of the Remuneration Committee.

The Committee normally meets three times a year and will meet at such other times as the Committee chairman or any member of the Committee may request. The agenda for the meetings will be determined by the chairman of the Committee, taking into account the views of other members of the Committee as appropriate. The agenda and supporting papers, unless otherwise agreed, will be circulated to each member of the Committee no fewer than four working days prior to the date of the meeting.

Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the Company's Articles of Association.

The Committee chairman will attend the Annual General Meeting and be available to answer questions from shareholders.

### C. Authority

The Remuneration Committee is authorised by the Main Board to seek any information it requires from, or request the attendance at any of its meetings of, any Director or member of management, and all employees are expected to cooperate with any request made by the Committee. However, where Executive Directors or senior management are involved in advising or supporting the Committee, care is to be taken by the Committee to recognise and avoid conflicts of interest.

The Committee is authorised by the Main Board to obtain, at the Company's expense, such outside legal or other independent professional advice as it considers necessary, and, in particular, is responsible for the appointment of any remuneration consultants who may advise the Committee. Where such consultants are appointed, the Committee is required to make a statement in the Company's Annual Report and Form 20-F regarding whether such consultants have any other connections with the Company or its Directors.

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These terms of reference may be amended from time to time as required subject to approval by the Main Board.

## D. Responsibilities and Objectives

The responsibilities and objectives of the Remuneration Committee are as follows:

### 1. Remuneration Policy

- (a) The Committee will determine a remuneration policy (the “Remuneration Policy”) which aims to provide a structured and balanced remuneration package for the Chairman and each Executive Director. The Remuneration Policy will cover performance based variable rewards (cash and share incentive annual bonus plans and long-term incentive plans); the core fixed elements (base salary and benefits); pension; terms of service contracts and compensation payments.

In determining the Remuneration Policy, the Committee will take into account shareholder views and all other factors which it deems necessary giving due regard to the Companies Act 2006, UK Corporate Governance Code, the Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules, other applicable regulations and associated guidance.

Such factors shall include:

- providing for levels of remuneration which are sufficient to attract, retain and motivate the Chairman and Executive Directors of appropriate quality, skills and experience;
  - alignment with the Company’s long-term strategic goals and with the Group’s purpose, values and culture;
  - the requirement for performance related elements of remuneration to form a significant proportion of the total remuneration package to be linked to corporate performance and be designed to promote the long-term sustainable success of the Company. Particular regard is to be given to the UK Corporate Governance Code when considering performance related remuneration schemes; and
  - giving due regard to workforce remuneration and related policies and conditions applicable across the Group.
- (b) The Committee will review the on-going appropriateness and relevance of the Remuneration Policy.
- (c) The Committee will determine remuneration in respect of Management Board members and the Company Secretary, taking into account the remuneration principles that apply to the Executive Directors.
- (d) The Committee will monitor, and advise the Main Board on, any major changes to the policy on employee benefit structures for the Group.

### 2. Appointments and Terminations

The Committee will:

- (a) determine on appointment the remuneration package of the Chairman, each Executive Director, each member of the Management Board and the Company Secretary, comprising performance based variable rewards, core fixed elements, pension, and approve the terms of any service contract.
- (b) determine on termination the compensation payment, if any, due to the Chairman, any Executive Director, any member of the Management Board or the Company Secretary.

### 3. Annual Reviews

The Committee will determine on an annual basis any changes to the remuneration package of the Chairman, each Executive Director, each member of the Management Board and the Company Secretary, giving due regard to workforce remuneration and related policies and conditions elsewhere in the Group.

Neither the Chairman nor any Executive Director, member of the Management Board or the Company Secretary shall be involved in any decisions as to his or her own remuneration.

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#### 4. Performance Related Remuneration and Share Schemes

The Committee will:

- (a) review the overall performance of the Chairman and the Chief Executive on an annual basis, taking into account its terms of reference;
- (b) determine achievement against targets for any performance based variable rewards operated by the Company in which the Chairman, Executive Directors, Management Board's members or the Company Secretary participate and review targets for the following year;
- (c) exercise any discretions vested in the Committee in respect of the Chairman, Executive Directors members of the Management Board or the Company Secretary for any performance based variable rewards;
- (d) request the Main Board, when appropriate, to seek shareholder approval for any new long-term incentive schemes and any significant changes to existing schemes, save in the circumstances permitted by the Listing Rules; and
- (e) maintain a formal policy for shareholding requirements for Executive Directors, encompassing both unvested and vested shares to apply both during and for an appropriate period after employment.

For the avoidance of doubt, the Employee Share Schemes Committee shall have responsibility in respect of any matters which relate to any share schemes operated by the Company not specifically referred to in these terms of reference.

#### 5. Annual Report and Form 20-F

The Committee will:

- (a) ensure that statutory provisions regarding disclosure of remuneration, including pensions are fulfilled;
- (b) ensure compliance with relevant requirements for disclosure of information relating to remuneration as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the UK Corporate Governance Code and applicable US securities laws and regulations;
- (c) review the section of the Company's Annual Report and Form 20-F describing the work of the Committee and how it has discharged its responsibilities, its members and their attendance records and the number of meetings held; and
- (d) produce a remuneration report for inclusion in the company's Annual Report and Form 20-F (the "Annual Remuneration Report").

The Annual Remuneration Report will comprise three parts:

- (a) an annual statement from the Committee chairman;
- (b) the Remuneration Policy (or a summary of the Remuneration Policy, as appropriate); and
- (c) an annual report on remuneration showing how the Remuneration Policy has been implemented.

The Committee will ensure that the Annual Remuneration Report and the Remuneration Policy (at least once every three years) are put to shareholders to vote upon at the Annual General Meeting in accordance with the requirements of the Companies Act 2006.

#### 6. Workforce Remuneration

The Committee will review workforce remuneration and related policies in accordance with the UK Corporate Governance Code. It will feedback to the Board on workforce reward, incentives and conditions applicable across the Group and will support the monitoring by the Board of the Group's corporate culture and its alignment with the Group's purpose, values and strategy.

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## 7. Additional Statutory Reporting

On an annual basis, the Committee will review:

- (a) applicable gender pay data; and
- (b) any other data relating to workforce remuneration across the Group as may be requested by the Committee from time to time,

prior to such data being reported in accordance with applicable regulations.

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