

CARCLO PLC
(the Company)

TERMS OF REFERENCE

OF THE REMUNERATION COMMITTEE

1 Membership

- 1.1 Members of the Remuneration Committee ("Committee") shall be appointed by the Board (on the recommendation of the Nomination Committee and in consultation with the Committee's chair) and shall comprise a chair and at least one other member, all of whom should be independent Non-Executive Directors. The Chair of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chair.
- 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 relevant member (other than the Chair of the Board, if he or she is a member of the Committee) continue to be independent.
- 1.3 The Board shall appoint the Committee chair who shall be an independent Non-Executive Director. Before a new chair of the Remuneration Committee is appointed, he or she should normally have served on a Remuneration Committee for at least 12 months.
- 1.4 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. The Chair of the Board shall not be chair of the Committee.

2 Secretary

The Company Secretary or their nominee shall act as 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.

3 Quorum

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

4 Meetings and Notice of Meetings

- 4.1 The Committee shall meet not less than twice a year and at such other times as required.
- 4.2 The Committee may hold meetings by telephone or using any method of electronic communication and may take decisions without a meeting by unanimous written consent, when the Committee Chair considers this to be necessary or desirable.
- 4.3 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any member of the Committee.
- 4.4 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 Committee members 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.
- 4.5 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Chief Financial Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

5 Minutes of Meetings

- 5.1 The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names and roles of those present and in attendance.
- 5.2 Draft minutes of Committee meetings shall be circulated 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 in the opinion of the Committee chair.

6 Annual General Meeting

The Chair of the Committee shall attend the Annual General Meeting 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.

7 Duties

- 7.1 The Committee shall carry out the duties detailed below for the Company, its major subsidiary undertakings and the Carclo Group as a whole, as appropriate.
- 7.2 The Committee shall:
- a. Determine and agree with the Board the framework or broad policy for the remuneration of the Executive Directors, the Company Secretary, and Senior Management (defined as any Group Executive Committee member and any direct reports to the Chief Executive Officer (excluding administration assistants)) (the Executive Directors, Company Secretary and Senior Management together the **Relevant Executives**), in accordance with the Principles and Provisions of the UK Corporate Governance Code;
 - b. Design remuneration policies and practices to support strategy and promote the long-term sustainable success of the Group, with executive remuneration aligned to Company purpose and values, clearly linked to the successful delivery of the Company's long-term strategy, and which enables the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances. The Committee shall also consider all relevant legal and regulatory requirements, the UK Corporate Governance Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture, together with associated guidance;
 - c. When setting remuneration policy for directors, review and take account of workforce remuneration and related policies;
 - d. Review the ongoing appropriateness and relevance of the remuneration policy;
 - e. Within the terms of the agreed remuneration policy and in consultation with the Chair of the Board and/or CEO, as appropriate, determine for the Relevant Executives the total individual remuneration package of each Relevant Executive including, as appropriate, bonuses, incentive awards and payments, share options or other share awards and pension arrangements. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of Company and individual performance and wider circumstances;
 - f. Ensure that contractual terms on termination, and any payments made, are fair to the Relevant Executive and the Company, that failure is not rewarded and that the duty to mitigate is fully recognised;
 - g. Establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholders interests, with share awards subject to a total vesting and holding period of at least five years;

- h. Establish a formal policy for post-employment shareholding requirements for executive directors encompassing both unvested and vested shares;
- i. Review the design of all share incentive plans for approval by the Board and, where required, shareholders;
- j. Determine each year whether awards will be made under the Company's share incentive plans, and if so, the overall amount of such awards, the individual awards to Relevant Executives and the performance targets to be used. The Committee should also consider malus and clawback as well as the exercise of discretion;
- k. Agree a policy for authorising claims for expenses by Directors;

7.3 For the avoidance of doubt:

- (a) The remuneration of Non-Executive Directors shall be a matter for the Chair of the Board and the Executive Directors to be decided at a meeting of the Board, and shall not exceed any limit set out in the Company's Articles of Association.
- (b) No director or senior manager shall be involved in any decisions as to their own remuneration.

8 Reporting Responsibilities

- 8.1 The Committee chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. 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.
- 8.2 The Committee will provide a description of its work in the Company's annual report, in line with the requirements of the UK Corporate Governance Code. 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 UK Corporate Governance 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 as necessary..
- 8.3 If the Committee has appointed remuneration consultants, the consultant should be identified in the annual report alongside a statement about any other connection it has with the Company or individual directors.

9 Other matters

The Committee shall:

- 9.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 9.2 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;
- 9.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and published guidance, the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook, and associated guidance, and any other applicable rules, as appropriate;
- 9.4 arrange for periodic reviews of its own performance and, at least annually, review its constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and

9.5 work and liaise as necessary with other Board Committees, ensuring the interaction between Committees and with the Board is reviewed regularly (including but not limited to liaising with the Nomination Committee regarding the remuneration of newly appointed directors).

10 Authority

10.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company or Group to perform its duties.

10.2 The Committee is authorised 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 restraints imposed by the Board. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants.

10.3 The Committee is authorised by the Board to obtain, at the Company's expense, external legal or other professional advice on any matters within its terms of reference.

10.4 Nothing in these terms of reference will preclude the Board from assuming any of the Committee's duties or responsibilities.

Approved by the Board on 26 March 2025

Version control

Version	Date Approved	Approved By	Description
1	28 January 2020	Board	Annual Review
2	1 February 2021	Board	Annual Review
3	31 January 2022	Board	Annual Review
4	31 January 2023	Board	Annual Review
5	8 February 2024	Board	Annual Review
6	26 March 2025	Board	Annual Review