



## **FULLER, SMITH & TURNER P.L.C.**

### **TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE**

**As adopted by the Board on 11 November 2025**

#### **1. CONSTITUTION**

- 1.1 The remuneration committee (**Committee**) is a duly constituted committee of the Board of Directors (**Board**) of Fuller, Smith & Turner P.L.C. (**Company**) in accordance with the Articles of Association of the Company.
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members or the Company Secretary, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

#### **2. ROLE**

- 2.1 The role of the Committee is to assist the Board to fulfil its responsibility to Shareholders to ensure
  - (a) In particular, the Remuneration policy and practices of the Company are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements.
  - (b) Executive remuneration is aligned to Company purpose and values and linked to delivery of the Company's long-term strategy.
- 2.2 Committee shall consider:
  - (a) Remuneration policies, including base pay, long and short-term incentives, post-employment shareholding requirements and use of the Committee's discretion.
  - (b) Remuneration practice and its cost to the Company.
  - (c) Recruitment, service contracts and severance policies.
  - (d) Pension and superannuation arrangements and other benefits.
  - (e) The engagement and independence of external remuneration advisers.
  - (f) A review of workforce remuneration and related policies and the alignment of incentives and rewards with culture.
- 2.3 The remuneration of the Senior Independent Director and Non-Executive Directors of the Board will be a matter for the Executive Chairman and the other Executive Directors to be determined within the limits set in the Company's Articles of Association. No Director shall be involved in any decisions as to their own remuneration.

### 3. DUTIES

The Committee shall have oversight for the Company and its subsidiaries (the **Group**) as a whole and carry out the following duties as appropriate:

#### 3.1 Remuneration policy

The Committee shall:

- (a) Determine and agree with the Board the policy for the remuneration and benefits of:
  - (i) Executive Chairman of the Company;
  - (ii) Executive Directors;
  - (iii) Members of the Executive Committee ("ExCo Members"); and
  - (iv) Divisional Directors, including the Company Secretary.
- (b) In determining the remuneration policy, and particularly when determining annual salary increases for Executive Directors, consider:
  - (i) All relevant legal and regulatory requirements.
  - (ii) The provisions and recommendations of the UK Corporate Governance Code ("Code") and associated guidance.
  - (iii) An appropriate balance between fixed and performance-related remuneration, immediate and deferred remuneration.
  - (iv) The need to promote the long-term sustainable success of the Company and the alignment to the Company's purpose and values clearly linked to the successful delivery of the Company's long-term strategy, without paying more than is necessary, having regard to the views of shareholders and other stakeholders and ensuring that Executive Directors are rewarded in a fair and responsible manner and are provided with appropriate incentives to encourage enhanced long-term performance and are rewarded for their individual contributions.
  - (v) The business strategy of the Company and how the policy reflects and supports the business strategy.
  - (vi) The Company's risk appetite and risk management strategy ensuring that the remuneration policy is aligned to the Company's risk policies and systems and long term strategic goals.
  - (vii) Any shareholding requirements, including the promotion of long-term shareholdings by Executive Directors that support alignment with long-term shareholder interests, a total vesting and holding period of at least five years, and a formal policy for any post-employment shareholding requirements for Executive Directors that encompass both unvested and vested shares.
- (c) Review the on-going appropriateness and relevance of the remuneration policy and consult with significant shareholders as appropriate.
- (d) When determining remuneration schemes and the remuneration policy, consider the use of discretion by the Committee to override formulaic outcomes.
- (e) Determine, within the terms of the agreed remuneration policy, each element of the total individual remuneration package for each Executive Director (including the Executive Chairman), Executive Committee Member and Divisional Director including:
  - (i) Base salary.
  - (ii) Profit sharing and specific incentive remuneration schemes/arrangements.

- (iii) Participation in share option schemes and share ownership plans.
- (iv) Pension arrangements, including the level of contributions by the Company.
- (v) Other bonuses and benefits in cash or in kind.

Ensure, where relevant, that any payments made are permitted under the latest shareholder approved remuneration policy and, if not, that either a revised remuneration policy or the proposed payment is submitted for shareholder approval.

- (f) Exercise any discretion or judgment on remuneration outcomes in accordance with any incentive schemes and the remuneration policy
- (g) Engage in appropriate discussions as necessary with institutional investors on policy or any other aspects of remuneration.

### 3.2 **Share based remuneration**

The Committee shall:

- (a) Recommend for approval by the Board and, where required shareholders, the design of, and determine the targets for, the operation of all long-term incentive schemes, including all schemes involving the award of shares or the grant of options, in which Executive Directors, ExCo Members and Divisional Directors participate.
- (b) For any such schemes or plans, determine each year whether the awards will be made, and if so, approve the levels of participation in such schemes or plans by those individuals
- (c) Monitor and assess any performance conditions applicable to any long-term incentive awards granted under any schemes adopted by the Company. Ensure that the performance conditions are fully explained, aligned to the Company purpose and values, and clearly linked to the successful delivery of the Company's long-term strategy and clearly linked to the enhancement of shareholder value.
- (d) Consider whether the Executive Directors, ExCo Members and Divisional Directors should be eligible for annual bonuses. Bonuses shall be used to reward the contribution of the individual to the long-term success of the business.
- (e) In relation to any bonus scheme operated by the Company, determine annual targets and key performance indicators for, and assess performance against targets and key performance indicators, by the Company and individual.
- (f) Design and invoke agreed safeguards, for example clawback or withholding the payment of any sum or share award to protect against rewards for failure through appropriate risk management of incentive arrangements to ensure that any performance-related payments reflect actual achievements.
- (g) Ensure that all incentive arrangements are aligned to the Company's risk policies and systems, its purpose and values, support the strategy and promote long-term sustainable success.

### 3.3 **Pensions**

The Committee shall review the pension arrangements for the Executive Directors, ExCo Members and Divisional Directors and consider:

- (a) The alignment of pension contribution rates, or payments in lieu, with those available to the workforce.
- (b) The pension consequences and associated costs to the Company of basic salary increases and any other changes in pension remuneration.

### 3.4 Remuneration consultants

The Committee shall:

- (a) Have full authority, to help it fulfil its obligations and to enable it to judge where to position the Company relative to other companies, 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 with the prior approval of the Executive Chairman or, if he is conflicted, the Board.
- (b) Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

### 3.5 Service contracts and severance

The Committee shall:

- (a) Approve the remuneration terms of the service contracts for Executive Directors, ExCo Members and Divisional Directors, and any material amendments to those contracts. The notice period in service contracts shall not normally exceed one year.
- (b) Determine the policy for, and scope of, termination payments and compensation commitments for each Executive Director, ExCo Member and Divisional Director. Ensure that there is a clear policy to link non-contractual payments to performance.
- (c) Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company and in accordance with legal and regulatory requirements, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

### 3.6 Workforce remuneration and related policies

- (a) The Committee shall review workforce remuneration and related policies, and the alignment of incentives and rewards with culture, taking these into account when setting the policy for Executive Director remuneration.
- (b) Oversee any major changes in remuneration and employee benefits structures throughout the Group.

### 3.7 Shareholder approval

The Committee shall:

- (a) Report annually to shareholders on matters relating to executive remuneration. In preparing the report, the Committee shall include:
  - (i) An annual statement by the Committee's Chair and annual report on directors' remuneration (together, **annual remuneration report**); and
  - (ii) The Directors' remuneration policy when it must be submitted for approval in accordance with paragraph 3.7(b) (**Directors' remuneration policy**) and, in any other case, either the directors' remuneration policy, a summary of such policy or details of when the directors' remuneration policy was approved and where it can be found on the Company's website.

The Directors' remuneration policy and the annual remuneration report shall include the information required to be disclosed by the Companies Act 2006 (including any regulations made under that Act), the Code, the Listing Rules (as published by the Financial Conduct Authority) (Listing Rules) and any other relevant statutory, regulatory or governance codes.

- (b) Submit the Directors' remuneration policy for approval by the Board and shareholders:
  - (i) Every three years.
  - (ii) In any year in which there is a change to the policy.
  - (iii) If shareholder approval was not obtained when last submitted.
  - (iv) If majority shareholder approval was not achieved on the last submitted annual remuneration report.
- (c) Submit the annual report on Directors' remuneration for approval by the Board and shareholders at the annual general meeting each year.

### 3.8 **Other matters**

The Committee shall:

- (a) Keep abreast of external remuneration trends and market conditions including receiving presentations from its external remuneration consultants as required.
- (b) Agree the policy for authorising claims for expenses from the Directors.
- (c) Decide on any ex-gratia payments to be made and benefits granted to Directors and Senior Executives and their surviving spouses.
- (d) Subject to delegation of authority by the Board, determine whether the disclosure of any information on performance conditions would be commercially sensitive.
- (e) Consider such other matters as are referred to the Committee by the Board.

## **4. MEMBERSHIP**

- 4.1 The Committee shall comprise a minimum of two members. Each Committee member shall be an independent Non-Executive Director as determined by the Board (in accordance with the principles of the Code).
- 4.2 The Board shall appoint members of the Committee, on the recommendation of the Nomination Committee, in consultation with the Committee Chair.
- 4.3 The Executive Chairman of the Company shall not be a member of the Committee but they may be invited to attend its meetings.
- 4.4 The Board shall appoint the Chair of the Committee, who should have served on a remuneration committee for at least 12 months. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present at a meeting shall elect one of their number present to chair the meeting.
- 4.5 Appointments shall be for a period of up to three years which may be extended for up to two additional three-year periods, provided members continue to be independent.
- 4.6 The Company Secretary, or their nominee, shall act as the Secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

## **5. ATTENDANCE AT MEETINGS**

- 5.1 The Committee shall meet at least two times a year and otherwise as required.

- 5.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Executive Chairman, the People Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 5.3 No person (including Directors and the Executive Chairman of the Company) shall participate at a meeting of the Committee (or during a relevant part) at which any part of their remuneration is being directly discussed or participate in any recommendation or decision specifically concerning their remuneration.
- 5.4 Meetings of the Committee may be conducted when the members are physically present together or by video or audio conference which allows those participating to hear and speak to each other.

## **6. NOTICE OF MEETINGS**

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any member of the Committee.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee and to other attendees as appropriate, no later than five working days before the date of the meeting or at shorter notice with the approval of the Committee Chair.

## **7. QUORUM**

- 7.1 The quorum necessary for the transaction of business shall be two members.
- 7.2 A duly convened Committee meeting at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 7.3 Except where they have a personal interest, the Committee chair shall have a casting vote.

## **8. VOTING ARRANGEMENTS**

- 8.1 Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person or by audio or video conference).
- 8.2 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

## **9. MINUTES OF MEETINGS**

- 9.1 The Company Secretary (or their nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The secretary of the Committee shall also ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

- 9.2 Draft minutes of Committee meetings shall be circulated promptly to all Committee members. Once approved, minutes shall be circulated to all other Board members unless in the opinion of the Committee Chair it would be inappropriate to do so.
- 9.3 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

## **10. ANNUAL GENERAL MEETING**

The Committee Chair shall attend the annual general meeting to answer 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.

## **11. REPORTING RESPONSIBILITIES**

The Committee shall:

- 11.1 Report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 Ensure that provisions regarding the public disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the Code, are fulfilled.
- 11.4 Prepare a formal report for shareholders (as referred to in *paragraph 3.7(a) above*) to be included in the Company's annual report and ensure that, where required, it is submitted for approval in accordance with paragraph 3.7(b).
- 11.5 If the Committee has appointed remuneration consultants, identify in the annual report the name of the consultants and state whether they have any connection with the Company.
- 11.6 Ensure, through the Executive Chairman, that the Company maintains contact as required with its principal shareholders about remuneration.
- 11.7 Make available to shareholders these terms of reference by placing them on the Company's website.

## **12. GENERAL MATTERS**

The Committee shall:

- 12.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required.
- 12.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members. Any individual training to be discussed and agreed with the Company Secretary.
- 12.3 Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of Directors of listed/non-listed companies and formation and operation of share schemes including but not limited to the principles and provisions of the Code and published guidance, the requirements of the UK Listing Authority's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules sourcebook, as well as guidelines published by institutional shareholders and proxy advisers, and any other applicable rules, as appropriate.
- 12.4 Work and liaise as necessary with all other Board committees.
- 12.5 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.

## **13. AUTHORITY**

The Board authorises the Committee to:

- 13.1 Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain appropriate professional advice on any matter within its terms of reference as it considers necessary at the expense of the Company but with the prior approval of the Executive Chairman or, if he is conflicted, the Board.
- 13.2 Seek any information it requires from any employee of the Company to perform its duties.
- 13.3 Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.

## **14. APPROVALS HISTORY**

<b>Date</b>	<b>Approved by</b>	<b>Details</b>
25 January 2022	Board	Annual review
13 June 2023	Board	Annual review – no amendments
11 November 2024	Board	Annual review – no amendments
11 November 2025	Board	Annual review – minor amendments