



# **Remuneration Committee — Terms of Reference**

## 1. Constitution and Purpose

- 1.1. The Board of Directors (the “Board”) of Telecom Plus PLC (the “Company”) resolved to establish a Remuneration Committee of the Board (the “Committee”) on 4th April 1997. The Terms of Reference were revised on 22 May 2023.
- 1.2. The purpose of the Committee is to assist the Board in setting the Company’s Remuneration Policy and ensure that the remuneration practices have a clear link to corporate and individual performance, having regard to statutory and regulatory requirements.

## 2. Membership

- 2.1. The membership of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Chair of the Committee. The membership of the Committee shall consist of at least three independent non-executive Directors. 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.
- 2.2. Subject to the normal periodic re-election of Directors, the members of the Committee shall serve for an initial term of up to three years. The appointment may be extended for further periods of up to three years, provided the Director still meets the criteria for membership of the Committee and (other than the Chair of the Board if they are a member of the Committee) continues to be independent.
- 2.3. The Chair of the Committee will be appointed by the Board from amongst the independent non-executive Directors and should have served on the Committee for at least 12 months. 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 by the Board. The Chair of the Board shall not be Chair of the Committee.
- 2.4. 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 issues.

## 3. Meetings

### 3.1. Quorum

A quorum shall be two members of the Committee. A duly convened meeting of the Committee 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.

**3.2. Frequency of meetings**

Meetings shall normally be held at such times as the Committee deems appropriate, and in any event shall be held at least twice per year, held to coincide with key dates within the financial reporting and audit cycle. The Chair of the Board may request a meeting if they reasonably consider that one is necessary.

**3.3. Attendance**

Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of any meetings, as and when appropriate. No Director or senior manager shall be involved in any decisions as to their own remuneration.

**3.4. Notice of meetings**

3.4.1. Committee meetings shall be called by the Secretary of the Committee, at the request of the Chair of the Committee or any of its members.

3.4.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each member of the Committee and any other person required to attend before the date of the meeting. The agenda of items to be discussed and supporting papers shall be sent to Committee members and to other attendees as appropriate.

**3.5. Minutes of meetings**

3.5.1. The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

3.5.2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and the Company Secretary unless, in the opinion of the Chair of the Committee, it would be inappropriate to do so.

**3.6. Engagement with shareholders**

The Chair of the Committee shall be available at the Annual General Meeting (the “AGM”) of the Company to answer questions on 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.

## 4. Duties

The Committee shall:

- 4.1. determine and agree with the Board the framework or broad policy for the remuneration of the Chair of the Board, Chief Executive, the executive Directors, the Company Secretary and such other members of senior management as it is designated to consider. The remuneration of non-executive Directors shall be a matter for the Chair of the Board and the executive members of the Board. No Director or manager shall be involved in any decisions as to their own remuneration;
- 4.2. in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code (the “Code”) and associated guidance. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the long-term success of the company;
- 4.3. establish remuneration schemes that promote long-term shareholding by the executive Directors and support alignment with long-term shareholder interests, with share awards that are typically subject to a total vesting and holding period of at least five years;
- 4.4. when determining executive Director remuneration policy and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
- 4.5. review the ongoing appropriateness and relevance of the remuneration policy in light of the Company’s strategy, purpose and values;
- 4.6. within the terms of the agreed policy and in consultation with the Chair of the Company and/or Chief Executive, as appropriate, determine the total individual remuneration package of the Chair of the Company, each executive Director, Company Secretary and other designated senior management including bonuses, incentive payments and share options or other share awards;
- 4.7. obtain reliable, up-to-date information about remuneration in other companies. 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 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;

- 4.8. approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- 4.9. review the design of all share incentive plans for approval by the Board and, where appropriate, 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 senior management and the performance targets to be used;
- 4.10. exercise any discretions on behalf of the Board allowed under the rules of any share incentive plans, and any material amendments to the rules of the plans not requiring the approval of shareholders;
- 4.11. exercise all the powers of the Board in relation to the operation of any SAYE Share Option Schemes, other similar schemes under which options or interests in shares are granted over the Company's shares, including the making of invitations and the terms of such, the exercise of any discretions on behalf of the Board allowed under the rules of the plans, and any material amendments to the rules of the plans not requiring the approval of shareholders;
- 4.12. exercise all the powers of the Board in relation to the operation of any Employee Share Ownership Plan including whether any free shares shall be granted, the exercise of any discretions on behalf of the Board allowed under the rules of the plans, and any material amendments to the rules of the plans not requiring the approval of shareholders;
- 4.13. determine the policy for, and scope of, pension arrangements for each executive Director and other designated senior management;
- 4.14. ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 4.15. oversee any major changes in employee benefits structures throughout the Company; and
- 4.16. agree the policy for authorising claims for expenses from the Directors.

## **5. Reporting procedures**

- 5.1. The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;
- 5.2. 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;

- 5.3. The Committee shall produce an annual report on remuneration, and the Company's Directors' remuneration policy, which will form part of the Company's annual report and be put to shareholders for approval at the AGM, as necessary. 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.

## **6. Other matters**

The Committee shall:

- 6.1. have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 6.2. 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;
- 6.3. give due consideration to laws and regulations, the provisions of the Code and the requirements of the FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate; and
- 6.4. 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.

## **7. Authority**

- 7.1. The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 7.2. The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference.