

## SSP GROUP PLC (THE *COMPANY*)

### REMUNERATION COMMITTEE - TERMS OF REFERENCE

(adopted by the Board on 27 November 2023)

#### 1. BACKGROUND

The Board of Directors of the Company (the **Board**) and the Remuneration Committee of the Company (the **Committee**) have resolved to adopt these terms of reference, which shall replace any previous terms of reference for any remuneration committee of the Board.

#### 2. ROLE OF THE COMMITTEE

2.1 The Board has delegated to the Committee responsibility for setting remuneration of the Chair of the Board, the Chief Executive Officer, the Chief Financial Officer and all other executive directors of the Company (together, excluding the Chair, the **Executive Directors**) as well as the Company Secretary, the Group Executive Committee and any other members of the executive management of the Company as the Board may determine from time to time (together with the Executive Directors, the **Executive Group**).

2.2 The remuneration of non-executive directors is a matter for the Board (excluding the non-executive directors, given their interest in the subject matter) to be determined within the limits set out in the Company's Articles of Association.

2.3 In fulfilling its duties as set out in section 3, the Committee shall:

(a) ensure that remuneration schemes, policies and practices (i) support the Company's strategy and promote long-term sustainable success, with executive remuneration aligned to Company purpose and values and clearly linked to the successful delivery of the company's long-term strategy and (ii) enable the use of discretion to override formulaic outcomes; and

(b) at all times give due regard to any published guidelines or other available information regarding the remuneration of directors of listed companies or other companies which are comparable to the Company and the formation and operation of share schemes (in particular the principles and provisions of the Code and guidelines published by the Investment Association), which the Committee considers relevant or appropriate. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or solely on the advice of remuneration consultants.

2.4 The duties of the Committee do not include decisions to employ or dismiss members of the Executive Group. The Committee does not have responsibility for nominations to the Board.

### 3. THE COMMITTEE'S DUTIES

3.1 The Committee shall perform its duties for the Company, its major subsidiary undertakings and the Group as a whole, as appropriate. The duties of the Committee shall be:

#### **Executive Remuneration**

3.2 to determine and recommend to the Board, the remuneration policy and practices for directors' remuneration, to set remuneration for the Chair and the Executive Group and to review the ongoing appropriateness and relevance of the (a) remuneration policy and (b) practices applicable to the Executive Group.

3.3 to ensure that the objective of such remuneration policy and practices shall be to attract, retain and motivate executives of the quality required to run the Company successfully. In doing so, the Committee shall ensure that:

(a) members of the Executive Group are:

- (i) provided with appropriate incentives to encourage enhanced performance (including, where applicable, appropriate performance conditions); and
- (ii) in a fair and responsible manner and having regard to the views of shareholders and other stakeholders, rewarded for their contributions to the long-term sustainable success of the Company and its subsidiary undertakings (the **Group**) without being paid more than is necessary;

(b) a significant proportion of the Executive Group's remuneration is structured so as to link rewards to corporate and individual performance and to promote the Company's long-term sustainable success.

3.4 as part of 3.2 and 3.3 above, in determining such remuneration policy and practices, to take into account all factors deemed necessary, including: (a) the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the **2008 Regulations**), the Companies (Miscellaneous Reporting) Regulations 2018 (the **2018 Regulations**) and the Companies Act 2006 (the **Companies Act**); and (b) the provisions of the UK Corporate Governance Code (the **Code**) and the recommendations set out in associated guidance, in particular the Code requirements to consider clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.

3.5 to consider and determine all elements of the remuneration of the Executive Group, namely:

- (a) base salary (the Committee shall also consider the pension consequences of basic salary increases);
- (b) bonuses and performance-related payments (including profit-sharing schemes) and approve the total annual payments thereof;
- (c) discretionary payments;

- (d) pension contributions;
  - (e) benefits in kind; and
  - (f) long-term incentives.
- 3.6 in respect of any element of remuneration of the Executive Group which is performance-related, to formulate suitable performance-related criteria and monitor their operation.
- 3.7 in determining the policy for, and scope of, pension arrangements for each member of the Executive Group, to consider the alignment of pension arrangements for Executive Directors with those available to the wider workforce.
- 3.8 to review (i) workforce remuneration and related policies across the Company or Group; and (ii) the alignment of workforce incentives and rewards with culture and values, and to have regard to each of them when setting the remuneration policy for Executive Directors.

#### **Service agreements of Executive Group**

- 3.9 to consider and determine other provisions of the service or employment agreements of the Executive Group (in particular the term, any notice period, which shall not normally exceed one year, and compensation commitment on early termination) and to ensure that any payments that may be made under such provisions do not reward poor performance.
- 3.10 to approve any payment to, and/or any non-cash benefit to be provided to, or for the benefit of any member of the Executive Group and any other remuneration related terms and conditions to apply on termination of that person's employment; and
- 3.11 to agree the policy for authorising claims for expenses from the directors.

#### **Bonus and share schemes**

- 3.12 to administer or determine (as applicable) all aspects of any executive bonus or executive share scheme operated by or to be established by the Company from time to time, including but not limited to (subject always to the rules of that scheme and any applicable legal and stock exchange requirements):
- (a) the selection of those eligible employees of the Company and its subsidiary companies to whom awards should be granted;
  - (b) the timing of any grant;
  - (c) the amount of bonus, proportion of salary and/or number of shares over which awards are to be granted;
  - (d) the exercise price at which awards are to be granted (if any);

- (e) the imposition of any conditions which must be complied with before any award may be paid, may vest and/or may be exercised (including, but not limited to, personal and company performance conditions);
  - (f) the assessment of the achievement of any such conditions and whether and to what extent an award shall become payable, shall vest and/or shall become exercisable;
  - (g) the exercise of any discretion in accordance with the rules of the applicable scheme, which may include taking into account company and individual performance and wider circumstances as relates to remuneration outcomes;
  - (h) the approval of any amendments prior to obtaining any necessary shareholder approval; and
  - (i) ensuring that, where appropriate, provisions are included to enable the Company to recover sums paid or withhold the payment of any sum in prescribed circumstances.
- 3.13 to ensure that all aspects of any all-employee share scheme operated by or to be established by the Company are administered in accordance with the rules of that scheme and any applicable legal and stock exchange requirements and with any applicable requirements of Her Majesty's Revenue and Customs or other local tax authorities.
- 3.14 to establish remuneration schemes that promote long-term shareholdings by Executive Directors and which that support alignment with long-term shareholder interests, including, where considered appropriate by the Committee, that share awards granted for this purpose are subject to a total vesting and holding period of at least five years, and that there is a formal policy in place with respect to post-employment shareholding requirements.

#### **Disclosure of information and shareholder approvals**

- 3.15 to ensure that provisions regarding disclosure of information relating to directors' remuneration including, where required by law, the Directors' Remuneration Policy and its implementation, as set out in the 2008 Regulations, the 2018 Regulations, the Companies Act, the Financial Conduct Authority's Listing Rules (the **Listing Rules**), the Code and all other relevant laws and regulations (each as amended from time to time), are fulfilled and to produce report(s) on the directors' remuneration including, where required, the Directors' Remuneration Policy and its implementation, which will form part of the Company's annual report.
- 3.16 to ensure that the report(s) referred to in paragraph 3.15 above are put to the shareholders for approval as required by the 2008 Regulations, the Companies Act, the Listing Rules, the Code and all other relevant laws and regulations.
- 3.17 where required by law to do so, to ensure that any remuneration payment (including variable remuneration such as bonuses and share awards) or payment for loss of office to any current or former director is consistent with the relevant Directors' Remuneration Policy that has been approved by the shareholders as required by the

2008 Regulations, the Companies Act, the Listing Rules and all other relevant laws and regulations.

- 3.18 to consider and make recommendations to the Board concerning disclosure of details of remuneration packages and structures in addition to those required by law or by the Financial Conduct Authority or the London Stock Exchange.

#### **Employee benefit structures**

- 3.19 to be aware of and advise the Board on any major changes in employee benefit structures throughout the Company or Group.

#### **External advisors**

- 3.20 to be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee within any budgetary restraints imposed by the Board and considering any other connection that they may have with the Company or Group.
- 3.21 where a remuneration consultant has been appointed, to identify the consultant in the annual report alongside a statement about any other connection it has with the Company or individual directors as required by the Code.
- 3.22 to commission any reports or surveys which the Committee deems necessary to assist in fulfilling its obligations.

#### **Engagement with employees**

- 3.23 engaging, to the extent considered appropriate, with the Group's employees on remuneration matters.
- 3.24 to consider any other matters as may be requested by the Board.

### **4. COMPOSITION**

- 4.1 The Committee shall be made up of at least three members appointed by the Board on the recommendation of the Nomination Committee and in consultation with the chair of the Committee from time to time. The Committee shall consist of independent non-executive directors. Any member who is determined by the Board no longer to be independent shall cease to be a member of the Committee. The chair of the Board may be a member of, but not chair, the Committee provided they were considered independent on appointment.
- 4.2 Only members of the Committee have the right to attend Committee meetings, but the Committee may invite others to attend all or part of any meeting if it thinks it is appropriate or necessary. No attendee of Committee meetings shall be involved in any discussion or decision as to their own levels of remuneration.
- 4.3 Appointments to the Committee shall be for a period of up to three years, which may be extended by no more than two further three-year periods, provided the director still meets the criteria for membership of the Committee (other than the chair of the

Board in respect of the requirement to be independent, if they are a member of the Committee).

- 4.4 On the recommendation of the Nomination Committee, the Board shall appoint one member of the Committee to act as its chair who shall be an independent non-executive director and who should normally have served on a remuneration 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.

## **5. QUORUM**

- 5.1 The quorum necessary for the transaction of business is two members.
- 5.2 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.
- 5.3 Notwithstanding the quorum requirements for the Committee, all members of the Committee should endeavour to participate in all meetings of the Committee.  
Frequency and form of meetings
- 5.4 The Committee shall meet as often as necessary to fulfil its remit but, in any case, at least twice a year at such times and in such manner as shall be determined by the Committee chair.
- 5.5 The Committee must approve the annual calendar of its meetings. Additional meetings may be called by the chair of the Committee.
- 5.6 The Committee may hold meetings by telephone or using any other method of electronic communication which allows those participating to hear and speak to each other and may take decisions without a meeting by unanimous written consent, when deemed necessary or desirable by the chair of the Committee.

## **6. NOTICE OF MEETINGS**

- 6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.
- 6.2 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date and dial-in details (if required) together with an agenda of the items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than two 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.

## **7. SECRETARY**

- 7.1 The Company Secretary or such person as the Company Secretary nominates shall act as the secretary of the Committee.

- 7.2 The secretary of the Committee shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

## **8. MINUTES**

- 8.1 The secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 8.2 Any conflicts of interest of members of the Committee are to be declared at the start of each meeting in relation to the matters to be discussed and recorded accordingly in the minutes. No member of the Committee shall be involved in any discussion or decision as to their own remuneration.
- 8.3 In the absence of the secretary of the Committee, the chair of the Committee shall designate any Committee member or other meeting participant who is authorised to attend the meeting by the chair of the Committee to minute the proceedings.
- 8.4 Draft minutes of Committee meetings must be sent promptly to all members of the Committee. Once agreed, minutes shall be circulated to all other members of the Board, unless, exceptionally, the chair of the Committee thinks it would be inappropriate to do so.

## **9. SELF-EVALUATION**

The Committee shall, at least once a year, review its own performance, composition and terms of reference and recommend to the Board any changes it considers necessary or desirable.

## **10. REPORTING RESPONSIBILITIES**

- 10.1 After each Committee meeting, the chair of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make such recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is desirable or needed and adequate time should be available for the Board discussion where necessary. All decisions on recommendations referred to the Board shall take effect only upon approval thereof by resolution of the Board, at a meeting which is properly convened and constituted and in accordance with the Company's articles of association.

## **11. SHAREHOLDER ENGAGEMENT**

The Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration. The chair of the Committee should attend the Company's annual general meeting and respond to any shareholder questions on matters within the Committee's area of responsibility. In addition, the chair of the Committee should seek engagement with shareholders on matters related to the

Committee's areas of responsibility which the Committee reasonably considers significant.

## **12. OTHER MATTERS**

12.1 The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- (b) 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;
- (c) give due consideration to laws, regulation, guidelines and recommendations including the general duties of directors set out in the Companies Act regarding the remuneration of directors and the formation and operation of share schemes including but not limited to the provisions of the Code, the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules, the guidelines published by relevant proxy voting agencies and the Company's major shareholders and any other applicable rules, as appropriate;
- (d) oversee any investigation of activities which are within its terms of reference; and
- (e) exercise independent judgement when evaluating the advice of external third parties and when receiving views from members of the Executive Group.

12.2 The Committee shall make available its terms of reference on the Company's website explaining clearly its role and authority delegated to it by the Board.

12.3 These terms of reference may be amended from time to time by the Board.

## **13. AUTHORITY**

The Committee is authorised by the Board to:

- (a) undertake any activity within its terms of reference;
- (b) seek any information that it requires from any Group employee, consultant, contractor or any other provider of services to the Company (for example, legal and tax advisers or management consultants) in order to perform its duties;
- (c) obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend meetings of the Committee;
- (d) call any Group employee, consultant, contractor or other provider of services to be questioned at a meeting of the Committee, as and when required; and



- (e) delegate (by way of sub-committee or otherwise) any of its powers to one or more of its members and/or, to the extent considered appropriate, to one or more Executive Directors, the Company Secretary and/or the Chief People Officer (subject always to the Committee's duties under these terms of reference and the requirements of the Code, the Companies Act, the 2008 Regulations and the Listing Rules, as applicable). For the avoidance of doubt, all decisions relating to the Executive Group must be taken by the Committee.