



CALEDONIA  
INVESTMENTS  
*Time Well Invested*

# Remuneration Committee

## Terms of Reference

November 2024

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## **1. Membership**

- 1.1 The Remuneration Committee (the “**Committee**”) shall comprise of at least three members, all of which shall be non-executive directors and at least two shall be independent. The chairman of the Company’s board of directors (the “**Board**”) may also serve as a member of the Committee if he or she was considered independent on appointment as chairman.
- 1.2 Members of the Committee shall be appointed by the Board on the recommendation of the Company’s Nomination Committee in consultation with the chairman of the Committee (the “**Committee Chairman**”).
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer and external advisers may be invited to attend all or part of any meeting where considered appropriate and necessary.
- 1.4 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman, 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 chairman of the Board shall not be Committee Chairman.

## **2. Secretary**

The Company Secretary, or his or her nominee, shall act as the secretary of the Committee (the “**Committee Secretary**”) and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration of the matters to be considered.

## **3. Quorum**

The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all and any of the authorities, powers and discretions vested in, or exercisable by, the Committee.

## **4. Frequency of meetings**

The Committee shall meet at least twice each year at appropriate intervals and otherwise as required.

## **5. Notice of meetings**

- 5.1 Meetings of the Committee shall be called by the Committee Secretary at the request of the Committee Chairman or any of its members.
- 5.2 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 each member of the

Committee and any other person required to attend no later than five 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.

## **6. Minutes of meetings**

- 6.1 The Committee Secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to other non-executive directors and, unless it would be inappropriate to do so, to the Chief Executive Officer.

## **7. Engagement with shareholders**

The Committee Chairman should attend the Company's annual general meeting (the "**AGM**") to answer any shareholder questions on the Committee's activities. In addition, the Committee Chairman should, where considered appropriate, seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **8. Duties**

The Committee shall:

- 8.1 Determine and agree with the Board the framework or broad policy for the remuneration of the Chairman, the Chief Executive Officer, the Executive Directors and members of senior management, in accordance with the principles and provisions of the UK Corporate Governance Code (the "**Code**"). The remuneration of non-executive directors shall be a matter for the Chairman and executive members of the Board. No director or manager shall be involved in any decisions as to his or her own remuneration.
- 8.2 Review the ongoing appropriateness and relevance of the Company's remuneration policy.
- 8.3 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.
- 8.4 Review the design of all share incentive plans for approval by shareholders and, 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 and other senior management and the performance targets to be used.
- 8.5 In consultation with the Chairman and/or the Chief Executive Officer as appropriate, determine the total individual remuneration package (including any changes to an existing package) of the Chairman, each executive director including, where appropriate, bonuses, incentive payments, share options or other share awards within the terms of the approved remuneration policy, and the remuneration packages of other senior management.

- 8.6 Determine the scope of pension arrangements, service agreements, termination payments and compensation commitments for executive directors within the terms of the approved remuneration policy and other senior management.
- 8.7 If appropriate, develop formal policies for levels of shareholdings for executive directors, both during and post employment, encompassing both vested and unvested shares.
- 8.8 Review workforce remuneration and related policies and the alignment of incentives and reward with culture, taking these into account when setting the policy for executive director remuneration.
- 8.9 Agree the policy for authorising claims for expenses from directors.
- 8.10 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

## **9. Reporting responsibilities**

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all relevant matters within its duties and responsibilities and how it has discharged its responsibilities and make whatever recommendations it deems appropriate to the Board on any area within its remit where action or improvement is needed.
- 9.2 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 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 at a general meeting as necessary.
- 9.3 To compile a report on its activities to be included in the Company's annual report, including all information required by the Code.

## **10. Other matters**

The Committee shall:

- 10.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for advice and assistance as required.
- 10.2 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.
- 10.3 Give due consideration to all relevant laws and regulations, the provisions of the Code and published guidance, the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate.

- 10.4 Work and liaise as necessary with all other committees of the Board ensuring interaction between committees and with the Board is reviewed regularly.
- 10.5 Ensure that a periodic evaluation of the Committee's performance is carried out.
- 10.6 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.

## **11. Authority**

- 11.1 The Committee is empowered by the Board to review and monitor any matters within its terms of reference. It is authorised to seek any information it may require from any officer or employee of the Company and all such individuals are directed to cooperate with any request by the Committee made within its terms of reference.
- 11.2 The Committee is also authorised by the Board to obtain, at the Company's expense, outside legal, accounting or other professional advice on any matters within its terms of reference.