# TRIFAST PLC

## TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

### 1. CONSTITUTION

1.1 The Remuneration Committee ("the Committee") was constituted as a committee of the board of directors (board) of Trifast Plc ("Company") under the terms of these committee terms of reference at a full meeting of the board held on 11 November 2021 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 its powers and authority as it thinks fit to one or more of its members, 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 that remuneration policy and practices of the Company reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements.

2.2 The Committee shall consider:

(a) Remuneration policies, including base pay, long and short-term incentives and minimumshareholding requirements.
(b) Remuneration outcomes and its cost to the Company.
(c) Recruitment, service contracts, and severance policies.
(d) Pension arrangements and other benefits.
(e) The engagement and independence of external remuneration advisers; and
(f) A review of workforce remuneration and related policies and the alignment of incentives andrewards with culture.

### 3. DUTIES AND TERMS OF REFERENCE

The Committee shall perform the following duties for the Company and its subsidiaries (the "Group") 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) The chair of the Company.

(ii) Executive directors. Senior management (the "**Senior Executives**"). Senior Executives are classed as onelevel below Main Board and the company secretary.

The remuneration of the senior independent director and non-executive directors of the board will be a matter for the chair and the executive directors to be decided at a meeting of theboard to be determined within the limits set in the Company's articles of association.
No director or senior manager shall be involved in any decisions as to their own remuneration.

(b) In determining the remuneration policy for the Chair of the Company, executive directors,and senior executives, consider:

(i) All relevant legal and regulatory requirements;

(ii) The provisions and recommendations of the 2024 UK Corporate Governance Code ("Code") and associated guidance, in particular the Committee shall consider the requirements of Section 5 of the Code which is set out in the Appendix of this document;

(iii) An appropriate balance between fixed and performance-related remuneration, immediate and deferred remuneration;

(iv) The need to promote the long-term success of the Company without paying more than is necessary, having regard to the views of shareholders and other stakeholders and ensuring that executive directors and senior executives are rewarded in a fair and responsible manner and are provided with appropriate incentives to encourage enhanced performance and are rewarded for their individual contributions;

(v) The strategy of the Company and the Group and how the policy reflects and supports the business;

(vi) The Company's risk appetite and risk management strategy ensure that the remuneration policy is aligned to the Company's risk policies and systems and long-term strategic goals;

(vii) Remuneration trends, policies and employment conditions across the Company and the Group and the alignment of incentives and rewards with the Company culture. Whether executive directors should be required to hold a minimum number of shares for a further period after vesting or exercise, including a period after leaving the Company;

(viii) Ensuring performance-related elements are stretching and rigorously applied;

(ix) Providing for the exercise of discretion by the Committee to override formulaic outcomes where appropriate;

(x) Design and invoke agreed safeguards, including malus and/or clawback, to protect against rewards for failure through appropriate risk management of incentive arrangements to ensure that any performance-related payments reflect actual achievements;

(c) Review at least annually the on-going appropriateness and relevance of the remuneration policy and consult with significant shareholders as appropriate

(d) Engage in appropriate discussions as necessary with institutional investors on policy or any other aspects of remuneration.

3.2 **Remuneration packages**

(a) Determine, within the terms of the agreed remuneration policy, the total remuneration package for the Company Chair and each element of the total individual remuneration package for executive directors and senior executives including:

(i) Base salary or fees.

(ii) Profit sharing and specific incentive remuneration schemes/ arrangements.

(iii) Participation in Long-term Incentive 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 a revised remuneration policy is submitted for shareholder approval.

3.3 **Variable remuneration**

The Committee shall:

(a) Recommend for approval by the board 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 and senior executives participate. For any such plans, determine each year whether the awards will be made, and if so, approvethe levels of participation in such schemes by those individuals. Such determination should takeaccount of dilution limits and headroom capacity within the relevant share schemes or plans and the financial impact of awards on the Group.

(b) 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 to shareholders and participants and clearly linked to corporatestrategic objectives.

(c) Ensure that all incentive arrangements are consistent with the Company's risk policies and donot encourage excessive risk-taking.

(d) The Committee shall consider whether the executive directors and senior executives should be eligible for annual bonuses. Bonuses shall be used to reward a contribution to the businesswhich exceeds the level expected.

(e) The Committee shall, in relation to any bonus scheme operated by the Company, set annual targets for key performance indicators/measures, assess performance against those targets by the Company and individual

executive directors or senior executives and approve of the overall bonus pool.

3.4 **Pensions**

The Committee shall:

(a) Review the pension arrangements for executive directors and senior executives and in particular the pension consequences and associated costs to the Company of basic salary increases and any other changes in pension remuneration.

(b) Review the pension arrangements for the executive directors and ensure the alignment of pension contribution rates with those available to the majority of the workforce.

3.5 **Remuneration consultants**

The Committee shall:

(a) To help it fulfil its obligations and with full authority, appoint remuneration consultants and commission or purchase any reports, surveys, or information which it deems necessary, at theexpense of the Company but within any budgetary restraints imposed by 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.

(c) Exercise independent judgement when evaluating the advice of such external third parties.

3.6 **Service contracts and severance**

The Committee shall:

(a) Approve the terms of the service contracts, the duration of which shall not exceed one year'snotice period, for executive directors and senior executives and any material amendments tothose contracts.

(b) Determine the policy for, and scope of, termination payments and compensation commitmentsfor executive directors and senior executives. 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.

3.7 **Workforce remuneration and related policies**

(a) Review workforce remuneration and related policies and the alignment of incentives andrewards with culture.

(b) When setting the remuneration policy for executive directors and senior executives consider the matters in Paragraph 3.7(a).

(c) Engage with the workforce regularly to explain how the policy for Executive Directors is aligned with that for the wider workforce.

(d) Oversee any major changes in remuneration and employee benefits structures throughout theCompany.

3.8 **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.

(ii) The directors' remuneration policy when it is being put to shareholder vote.

(iii) An annual report on directors' remuneration.

The directors' remuneration report should include the information required to be disclosed bythe 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 on a binding basis by shareholders:

(i) No later than the end of the financial year in which the third anniversary of the AGM when shareholders last approved a new Policy.

(ii) In any year in which it is desired that there should be a change to Policy or the Committee wishes to make a payment that would otherwise be inconsistent with the last approved Policy.

(iii) If majority shareholder approval was not achieved when Policy was last submitted to shareholder vote.

(iv) If majority shareholder approval was not achieved on the last submitted annual remuneration report.

(c) Submit the director's remuneration report, excluding the Remuneration Policy section, for approval on an advisory basis by the board and shareholders at the annual general meeting each year.

(d) Subject to delegation of authority by the board, engage in appropriate discussions asnecessary with shareholders if, a significant proportion of votes have been cast by shareholders against a resolution to approve the annual remuneration report or directors' remuneration policy or any employee share scheme at any annual general meeting or generalmeeting, as the case may be, and agree with the board any appropriate disclosure, includingin the annual report.

3.9 **Other matters**

The Committee shall:

(a) Monitor and review the level and structure of remuneration of senior management in the context of the pay policy of the Group as a whole, pay and conditions elsewhere in the Group,and the overall cost to shareholders.

(b) Keep abreast of external remuneration trends and market conditions including receiving an annual presentation from its external remuneration consultants.
(c) Oversee any major changes in remuneration and employee benefits structures throughout the Company and the Group which have been recommended by the board.
(d) Agree the policy for authorising claims for expenses from executive directors and senior executives.
(e) Decide on any additional payments where such payments are made in good faith in dischargeof an existing legal obligation or by way of settlement of compromise of any claim arising in connection with the termination of an individual's office or employment.
(f) Subject to delegation of authority by the board, determine whether the disclosure of any information on performance conditions would be commercially sensitive.
(g) Exercise any discretion or judgment on remuneration issues in accordance with the remuneration policy.
(h) Consider such other matters as are referred to the Committee by the board.
(i) Work and liaise as necessary with all other board committees.

## 4. MEMBERSHIP

4.1 At all times, noting 4.2 below, the Committee shall comprise a minimum of three members (including the Committee chair). Each Committee member shall be an independent non-executive director asdetermined by the board (in accordance with the principles of the Code). If any member of the Committee is deemed not to be independent, then the board shall provide an explanation as to why they consider it appropriate for such director to be a member of the Committee.

4.2 The board shall appoint members of the Committee, on the recommendation of the Nomination Committee, in consultation with the Committee chair. It is recognised that the number of members may fall below three for temporary periods due to departures pending new appointments.

4.3 The Chair of the board may be an additional member of the Committee if he or she wasconsidered to be independent on appointment as chair. The chair of the board shall not chair the Committee.

4.4 Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent. Any extension beyond these periods would only be made in accordance with then applicable institutional/corporate governance guidelines to ensure independence.

4.5 The board shall appoint the chair of the Committee from among the independent non-executive directors and shall determine the period for which the chair of the Committee will hold office. The appointee should have served on a remuneration committee for at least 12 months prior to appointmentas Committee chair.

4.6 In the absence of the Committee chair and/or an appointed deputy, the remaining members present at a meeting shall elect one of their number present to chair the meeting.

4.7 The Committee chair shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.

4.8 The company secretary, or his or her 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 chief executive, Chief People Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary. The Committee shall have the discretion to decide who, other than Committee members, shall attend and address Committee meetings.

5.3 No person (including directors and the chair) of the Company shall participate in 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 Through the chair of the board, the Committee shall ensure that the Company (whether through the Committee or otherwise) maintains contact as required with its principal shareholders about remuneration.

5.5 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

5.6 Meetings of the Committee may be conducted when the members are physically present together or in the form of either video or audio conferences.

5.7 Any Committee decisions can be approved by email confirmation by all the members.

## 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.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time, and date, together with anagenda 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 working days before the date of the meeting. Supporting papers should be sent to Committee members and to other attendees as appropriate, at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee chair.

## 7. QUORUM

7.1 The quorum necessary for the transaction of business at a Committee meeting shall be two members,present in person or by audio or video conference.

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.

## 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.

8.3 Except where he or she has a personal interest, the Committee chair shall have a casting vote.

## 9. MINUTES OF MEETINGS

9.1 The company secretary (or his or her nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

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

10.1 The Committee chair shall attend the annual general meeting to answer shareholder questions on the Committee's activities.

## 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 and the minutes of all meetings shall be included in the board papers for a subsequentboard meeting.

11.2 Make whatever recommendations to the board it deems appropriate on any area within its remit whereaction 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 Report to the board on workforce reward, incentives, and conditions, and support the board's monitoringof the alignment of Group policies and practices with culture and strategy.

11.5 Prepare a formal report for shareholders (as referred to in *paragraph 3.8(a) above*) to be included in the Company's annual report.

11.6 If the Committee has appointed remuneration consultants, identify in the annual report of the Company'sremuneration policy the name of the consultants and state whether they have any connection with theCompany or individual directors.

11.7 Make these terms of reference available to shareholders by placing them on the Company's website.

11.8 Review annually these terms of reference and make them available to shareholders by placing them onthe Company's website.

## 12. GENERAL MATTERS

The Committee shall:

12.1 Have access to sufficient resources to perform its duties, including access to the company secretary and management for 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.

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 provisions of the Code, the requirements of the Listing Rules and the UK Listing Authority's Prospectus and Disclosure and Transparency Rules as well as guidelines published by the Investment Association, Institutional Shareholder Services, Glass Lewis, the Pensions and Lifetime Savings Association, the GC100 and any other applicable rules and guidance as appropriate.

12.4 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.

## 13. AUTHORITY

The board authorises the Committee to:

13.1 Perform all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate professional adviceon any matter within its terms of reference as it considers necessary.

13.2 Seek any information it requires from any employee of the Company or any of the Company's subsidiaries 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.

13.4 Call any employee to be questioned at a Committee meeting as and when required and all employees

13.5 are directed to co-operate with any request made by the Committee.

13.6 Have the right to publish in the Company's annual report details of any issues that cannot be resolvedbetween the Committee and the board.

**APPENDIX**

**Section 5 – Remuneration**

**Principles**

A. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values and be clearly linked to the successful delivery of the company's long-term strategy.
B. A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.
C. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.

**Provisions**

1. The board should establish a remuneration committee of independent non-executive directors with a minimum membership of three, or in the case of smaller companies, two. In addition, the chair of the board can only be a member if they are independent on appointment and cannot chair the committee. Before appointment as chair of the remuneration committee, the appointee should have served on a remuneration committee for at least 12 months.
2. The remuneration committee should have delegated responsibility for determining the policy for executive director remuneration and setting remuneration for the chair, executive directors, and senior management. It should 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.
3. The remuneration of non-executive directors should be determined in accordance with the Articles of Association or, alternatively, by the board. Levels of remuneration for the chair and all non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for all non-executive directors should not include share options or other performance-related elements.
4. Where a remuneration consultant is appointed, this should be the responsibility of the remuneration committee. The consultant should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors. Independent judgement should be exercised when evaluating the advice of external third parties and when receiving views from executive and senior management.
5. Remuneration schemes should promote long-term shareholdings by executive directors that support alignment with long-term shareholder interests. In normal circumstances, share awards granted for this purpose should be released for sale on a phased basis and be subject to a total vesting and holding period of five years or more. The remuneration committee should develop a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.

6. Remuneration schemes and policies should enable the use of discretion to override formulaic outcomes. Directors' contracts and/or other agreements or documents which cover director remuneration should include malus and clawback provisions that would enable the company to recover and/or withhold sums or share awards and specify the circumstances in which it would be appropriate to do so.
7. The annual report on remuneration should include a description of its malus and clawback provisions, including:
    - the circumstances in which malus and clawback provisions could be used;
    - a description of the period for malus and clawback and why the selected period is best suited to the organisation; and
    - whether the provisions were used in the last reporting period. If so, a clear explanation of the reason should be provided in the annual report.
8. Only basic salary should be pensionable. The pension contribution rates for executive directors, or payments in lieu, should be aligned with those available to the workforce. The pension consequences and associated costs of basic salary increases and any other changes in pensionable remuneration, or contribution rates, particularly for directors close to retirement, should be carefully considered when compared with workforce arrangements.
9. Notice or contract periods should be one year or less. If it is necessary to offer longer periods to new directors recruited from outside the company, such periods should be reduced to one year or less after the initial period. The remuneration committee should ensure compensation commitments in directors' terms of appointment do not reward poor performance. They should be robust in reducing compensation to reflect departing directors' obligations to mitigate loss.
10. There should be a description of the work of the remuneration committee in the annual report, including:
    - an explanation of the strategic rationale for executive directors' remuneration policies, structures, and any performance metrics;
    - reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps;
    - whether the remuneration policy operated as intended in terms of company performance and quantum, and, if not, what changes are necessary;
    - what engagement has taken place with shareholders and the impact this has had on remuneration policy and outcomes;
    - what engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy; and
    - to what extent has discretion been applied to remuneration outcomes and the reasons why.