



volution Group plc

(the “Company”)

REMUNERATION COMMITTEE TERMS OF REFERENCE

1. Membership

- 1.1 The Remuneration Committee (the “**Committee**”) shall be made up of at least three members. In order to comply with the UK Corporate Governance Code (the “**Code**”), all members of the Committee should be independent non-executive directors. If the Board decides that a member of the Committee is no longer independent, the Board will determine whether or not that member will cease to be a member of the Committee. The chairman of the Board may also serve on the Committee if he or she was considered independent on appointment as chairman, but he or she is not permitted to chair the Committee.
- 1.2 Members of the Committee shall be appointed by the Board, on the recommendation of the nomination committee, and in consultation with the chairman of the Committee (the “**Chairman**”).
- 1.3 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 as and when appropriate or necessary or pursuant to the terms of any agreements with shareholders. However, no executive director of the Company shall participate at a meeting of the Committee (or during the relevant part of such meeting) at which any part of his remuneration is being discussed or participate in any recommendation or decision concerning his remuneration.
- 1.4 Appointments to the Committee are made by the Board and shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members (other than the chairman of the Board, if he or she is a member of the Committee) continue to be independent.
- 1.5 The Board shall appoint the Chairman who shall be an independent non-executive director and will normally have served 12 months on a listed company remuneration committee before being appointed as Chairman. The Chairman of the Board shall not be eligible to be appointed as the Chairman of the Committee. In the absence of the Chairman 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.

2. Secretary

The company secretary or their nominee shall act as the secretary of the Committee (the “**Secretary**”) and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members, both of whom must be non-executive directors.
- 3.2 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.
- 3.3 The members of the Committee shall, at the beginning of each meeting, declare the existence of any conflicts of interest arising and the Secretary shall minute them accordingly.
- 3.4 The members of the Committee may meet for the dispatch of business, adjourn and otherwise regulate meetings as they think fit. Without prejudice to the foregoing, all or any of the members of the Committee may participate in a meeting of the Committee by means of telephone conference or any communication equipment which allows all persons participating in the meeting to hear each other. A member of the Committee so participating shall be deemed to be present in person at the meeting and shall be entitled to fully participate and be counted in the quorum accordingly.

4. Frequency of meetings

The Committee shall meet at least twice a year and at such other times as the Chairman shall require.

5. Notice of meetings

- 5.1 Meetings of the Committee shall be called by the Secretary at the request of any of its members.
- 5.2 Unless otherwise agreed by the majority of the Committee, and except where a situation of urgency otherwise requires, wherever practicable, notice of each meeting confirming the venue, time and date (including dial-in details if required) together with an agenda of items to be discussed, shall be communicated to each member of the Committee, any other person required to attend and all other non-executive directors, no later than 5 working days before the date of the meeting. Supporting papers shall, wherever practicable, be sent to Committee members and to other attendees as appropriate, at the same time.
- 5.3 Papers required by the Committee may be provided electronically.

6. Minutes of meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 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 unless in the opinion of the Chairman it would be inappropriate to do so.

7. Annual General Meeting

The Chairman shall attend the annual general meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

8.1 The Committee should carry out the duties below for the Company and its subsidiaries (the “**Group**”) as a whole, as appropriate.

8.2 The Committee shall:

- (a) recommend to the Board the Remuneration Policy as it relates to the chairman of the Board, chief executive officer, chief financial officer, any other executive directors of the Company, the company secretary, and such other senior employees of the Company as the Board may determine from time to time, and for the time being shall be those reporting directly to the chief executive officer (the “**Executive Group**”). The Board itself should determine the Remuneration Policy as it relates to the remuneration of the non- executive directors within the limits set in the articles of association of the Company. No director or senior manager shall be involved in any decisions as to their own remuneration;
- (b) review the views of the Company’s principal investors in relation to the formulation and application of the Remuneration Policy;
- (c) review workforce remuneration and related policies and the alignment of incentives and rewards to support the Group’s culture, strategy and execution, whilst also ensuring alignment between executive, senior management and the wider workforce reward;
- (d) recommend and monitor the level and structure of remuneration for senior management;
- (e) in determining the Remuneration Policy in accordance with paragraph 8.2(a) above, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code, Part 10 of the Companies Act 2006 and associated guidance. The objective of the Remuneration Policy shall be to attract, retain and motivate an Executive Group of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The Remuneration Policy should have regard to the risk appetite of the Company and alignment to the Company’s strategic long-term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long-term success of the Company;
- (f) when setting the Remuneration Policy for directors, review and have regard to pay and employment conditions across the Company or Group, in compliance with the Code, especially when determining annual salary increases;
- (g) review the ongoing appropriateness and relevance of the Remuneration Policy;
- (h) within the terms of the Remuneration Policy and in consultation with the chairman of the Board and/or chief executive, as appropriate, determine all elements of the total individual remuneration package of the chairman of the Board, each executive director, company secretary and other designated senior executives including base salary (the Committee shall also consider the pension consequences of basic salary increases), bonuses and performance related pay (including profit-sharing schemes), discretionary payments, pension contributions, benefits in kind and share options or other share awards;

- (i) in respect of any element of remuneration of the Executive Group which is performance-related, formulate suitable performance-related criteria and monitor their operation;
- (j) approve any payment to, and/or any non-cash benefit to be provided to, or for the benefit of, an executive director or other member of the Executive Group and any other terms and conditions to apply on termination of that person's employment (once the decision to dismiss or reach agreement to terminate employment has been taken by the Board);
- (k) subject to the articles of association of the Company from time to time and the terms of the trust created to hold the legal interest in the shares of the Company held by employees, administer all aspects of any share scheme operated by or to be established by the Company, including but not limited to (subject always to the rules of that scheme, the relevant deed of trust and any applicable legal and stock exchange requirements):
 - (i) the selection of those eligible directors and employees of the Group to whom options or awards should be granted;
 - (ii) the timing of any grant;
 - (iii) the numbers of shares over which options or awards are to be granted;
 - (iv) the exercise price at which options or awards are to be granted;
 - (v) the compulsory purchase of shares from employees and directors upon their leaving the employment (or directorship) of the Company, and the terms thereof; and
 - (vi) the imposition of any objective condition which must be complied with before any option or award may be exercised;
 - (vii) exercise any discretion specified in the share plans, including to override formulaic outcomes;
- (l) develop and keep under review, a formal policy for post-employment shareholding requirements;
- (m) to have regard in the performance of its duties to any published guidelines or recommendations regarding the remuneration of directors of listed companies and the formation and operation of share schemes (in particular the principles and provisions of the Code and guidelines published by the institutional investment bodies and proxy agencies) which the Committee considers relevant or appropriate;
- (n) obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity, and market practice generally. 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;
- (o) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and consider any other connection that they may have with the Company;

- (p) approve the design of, and determine targets for, any performance related pay schemes operated by the Company (including the application of relevant performance criteria) and approve the total annual payments made under such schemes ;
- (q) review the design and implementation of all share incentive plans for approval by the Board and 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 and other designated senior executive management and the performance targets to be used. Such determination shall take account of dilution limits and headroom capacity within the relevant share incentive plans and the financial impact of awards on the Group;
- (r) determine the policy for, and scope of, service agreements, termination payments, compensation commitments and pension arrangements for each executive director and other senior executives;
- (s) 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;
- (t) review and note annually the remuneration trends across the Group;
- (u) be aware of and advise the Board on any major changes in employee benefits structures throughout the Company or the Group;
- (v) agree the policy for authorising claims for expenses from the directors;
- (w) consider any other matters as may be requested by the Board;
- (x) ensure that no “remuneration payment” or “payment for loss of office” is made to a person is or has been a director of the Company unless that payment is consistent with the Remuneration Policy;
- (y) exercise any discretion or judgement on remuneration issues in accordance with the Remuneration Policy to ensure the outcome is reasonable and reflects the individual’s contribution and, if necessary, override formulaic outcomes; and
- (z) work and liaise as necessary with all commitments of the Board.

8.3 Each member of the Committee will be informed that section 226E of the Companies Act 2006 provides that if they authorise the making of any payment which is inconsistent with the Remuneration Policy that they are jointly and severally liable to indemnify the Company in respect of any loss resulting from it.

9. Reporting Responsibilities

9.1 The Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, unless it would be inappropriate to do so.

9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9.3 The Committee shall produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the Company's annual general meeting. If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.

9.4 In relation to the disclosure of information (including pensions) by the Company, the Committee shall ensure that the relevant regulatory and legislative provisions (including the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and the Code) are complied with.

9.5 The Committee shall 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.

9.6 The Committee shall ensure that the Company maintains such contact as is required with its principal shareholders about remuneration.

10. Other

10.1 The Committee shall, at least once a year, review its own performance, 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.

10.2 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; and

(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.

11. Authority

11.1 The Committee is authorised by the Board to:

(a) undertake any activity within its terms of reference;

(b) seek any information it requires from any Group employee or contractor in order to perform its duties;

(c) obtain external legal or other professional advice on any matter within its terms of reference where it believes it is necessary to do so, and to invite persons giving such advice to attend Committee meetings. The cost of obtaining any advice shall be paid by the Company within the limits as authorised by the directors of the Company from time to time;

(d) call any Group employee or contractor to be questioned at a meeting of the Committee, as and when required; and

(e) delegate any of its powers to one or more of its members or the Secretary.

12. Approval

12.1 These terms of reference were approved by the Board on 26 July 2019, effective from 1 August 2019.