



**KELLER GROUP PLC (the “Company”)  
REMUNERATION COMMITTEE  
TERMS OF REFERENCE**

*References to “the Committee” shall mean the Remuneration Committee.*

*References to “the Board” shall mean the Board of Directors.*

*References to “the Group” shall mean the Company and its subsidiaries.*

**A. Membership**

1. The Committee shall comprise a Chairman and at least two other members, each of whom shall be appointed by the Board.
2. All members of the Committee shall be Non-executive Directors who should be independent of management and free from any business or other relationship, which could interfere with the exercise of their independent judgement.
3. Appointments to the Committee shall be for a period of up to three years, which may be extended annually up to an expected maximum of six years, provided the Director remains independent.
4. The Board shall appoint the Committee Chairman who shall be an independent Non-executive Director and shall have served on a remuneration committee for at least 12 months. Although the Chairman of the Company might qualify as a member of the Committee, if considered independent on appointment as Chairman they shall not be eligible to be appointed as Chairman of the Committee.
5. 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 the issues.

**B. Meetings**

1. The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require. Where possible, meetings shall be organised so that attendance is maximised (e.g. by time-tabling them to take place around the time of Board meetings).
2. A meeting of the Committee may be called by any member of the Committee or by the Secretary.

3. The quorum necessary for the transaction of business by the Committee shall be two.
4. Notice of each meeting of the Committee, confirming the venue, time and date, and enclosing an agenda of items to be discussed, together with supporting papers shall, unless otherwise agreed by all concerned, be forwarded to each member of the Committee, any other person required to attend and all other Non-executive Directors, not fewer than five working days prior to the date of the meeting.
5. Only members of the Committee have the right to attend meetings of the Committee. However, other individuals such as the Chief Executive, the Head of Human Resources and external advisors may be invited to attend all or part of any meeting as and when appropriate.
6. In the absence of the Committee Chairman or any appointed Deputy, the remaining members present shall elect one of their number to chair the meeting.
7. The Secretary shall keep appropriate records of all meetings of the Committee, including the names of those present or in attendance, as well as minutes of the proceedings and all decisions made.
8. 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, exceptionally, it would be inappropriate to do so.

### **C. Annual General Meeting**

The Chairman of the Committee shall attend the Annual General Meeting (AGM) prepared to respond to shareholders' questions on the Committee's activities. In addition, the Committee Chairman should seek engagement with shareholders on significant matters related to the Committee's area of responsibility.

### **D. Duties**

The Committee should carry out the duties detailed below for the parent company, major subsidiary undertakings, and the Group as a whole, as appropriate.

The Committee shall:

1. have delegated authority for determining the policy for directors' remuneration and setting remuneration for the Company's Chairman and Executive Directors and senior management, including the Company Secretary, in accordance with the Principles and Provisions of the UK Governance Code;
2. establish remuneration schemes that promote long-term shareholder interests, with share awards subject to a total vesting and holding period of at least five years, and a

formal policy for post-employment shareholding requirements encompassing both unvested and vested shares;

3. design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to Company purpose and values, clearly linked to the successful delivery of the Company's long-term strategy, and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances;
4. when determining Executive Director remuneration policies and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
5. no director or senior manager shall be involved in any decisions as to their own remuneration outcome. The Board itself or, where required by the Articles of Association, the shareholders, should determine the remuneration of the Non-executive Directors within the limits set out in the Articles of Association;
6. in determining remuneration policy, take into account all other factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance. The objective of such policy shall be to attract and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders;
7. review the ongoing appropriateness and relevance of the remuneration policy;
8. within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive, as appropriate, determine the total individual remuneration package of each Executive Director, the Company Chairman and senior managers, including bonuses, incentive payments and share options or other share awards. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of Company and individual performance, and wider circumstances;
9. have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company. The Committee should, however, avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants.
10. review the design of all share incentive plans for approval by the Board and, where required, 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 senior executives and the performance targets to be used;

11. determine the policy for, and scope of, pension arrangements for Executive Directors;
12. in the case of Executive Directors and other designated senior executives of the Group, 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;
13. review workforce remuneration and related policies and approve any major changes in employee benefit structures throughout the Group;
14. agree the policy for authorising claims for expenses from the Chief Executive and Chairman;
15. 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 policies and practices is included in the Company's annual report and put to shareholders for approval at the AGM as necessary; and
16. work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

#### **E. Reporting Responsibilities**

1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
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 available for Board discussions when necessary.
3. The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's Annual Report, in line with the requirements of the Code.
4. 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.

#### **F. Other**

1. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required.

2. The Committee shall 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.
3. The Committee should give due consideration to all relevant laws and regulations, the provisions of the Code and published guidelines or recommendations regarding the remuneration of Company directors and the formation and operation of share incentive plan, the requirements of the FCA's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules sourcebook, and any other applicable rules, as appropriate.
4. At least once a year, the Committee should review its own 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.

## **G. Authority**

1. The Committee is a committee of the Board and has no authority independent of the functions delegated to it and is to report its findings and recommendations directly to the Board. The functions of the Committee do not relieve the Board from any of its responsibilities.
2. There is to be no delegation of executive power to the Committee.
3. The Committee is authorised by the Board, when the fulfilment of its duties requires, to obtain any outside legal or other professional advice at the company's expense. Any authority to incur costs at the company's expense is subject to the Company's prior approval to the expenditure and such approval shall not be unreasonably withheld.
4. The Committee is authorised to seek any information it requires from any employee of the Company and shall have the power to employ the services of such advisers as it deems necessary to fulfil its responsibilities.
5. The Committee shall:
  - 5.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required;
  - 5.2 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;
  - 5.3 give due consideration to all relevant laws and regulations, the provisions of the Code and associated guidance, the requirements of the FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate;

5.4 ensure that a periodic evaluation of the Committee's own performance is carried out;  
and

5.5 at least annually, review the Committee's constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.