

# RATHBONES

## **Rathbones Group Plc (the “Company”) Remuneration Committee (the “Committee”) Terms of Reference**

These terms of reference were approved by the committee on 5 December 2023.

### **1. Membership**

- 1.1 The committee shall comprise at least three members, all of whom shall be independent non-executive directors. The chair of the board may also serve on the committee as an additional member if they were considered independent on appointment as chair but cannot chair the committee.
- 1.2 Only members of the committee have the right to attend committee meetings. However, other individuals and external advisers may be invited to attend all or part of any meeting, as and when appropriate and necessary although no individual shall be present for any discussion relating to their own remuneration and / or reward arrangements.
- 1.3 Appointments to the committee are made by the board on the recommendation of the nomination committee and in consultation with the chair of the committee and shall be for a period of up to three years which may be extended for up to two additional three-year periods so long as members (other than the chair of the board, if they are a member of the committee) continue to be independent.
- 1.4 The board shall appoint the committee chair who shall be an independent non-executive director, and prior to their appointment, shall have served on a remuneration committee for at least 12 months. In the absence of the committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The chair of the board shall not be chair of the committee.

### **2. Secretary**

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.

### **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 or any of the authorities, powers and discretions vested in or exercisable by the committee.

### **4. Frequency of meetings**

The committee shall meet at least three times a year and otherwise as required.

### **5. Notice of meetings**

- 5.1 Meetings of the committee shall be called by the secretary of the committee at the request of the committee chair 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, any other person required to attend and all other non-executive directors, no later than five 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.

## **6. Minutes of meetings**

- 6.1 The secretary shall minute the proceedings and decisions of all meetings of the committee, including recording 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 it would be inappropriate to do so.

## **7. Annual General Meeting**

The committee chair should attend the annual general meeting to answer shareholder questions on the committee's activities. In addition, the committee chair should seek engagement with shareholders on significant matters related to the committee's areas of responsibility.

## **8. Duties**

The committee should carry out the duties below for the parent company, major subsidiary undertakings (including for the avoidance of doubt, Investec Wealth & Investment Limited) and the group as a whole, as appropriate.

The main responsibilities of the committee are:

- 8.1 Establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests, with share awards subject to a total vesting and holding period of five years.
- 8.2 Determining the remuneration policy for executive directors that provides the overarching objectives, principles and parameters of remuneration across the company whilst ensuring that such remuneration arrangements are consistent with and promote sound and effective risk management.
- 8.3 When determining such policy, consider all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code (the "Code") relating to clarity, simplicity, risk, predictability, proportionality and alignment to culture, the Remuneration Code and associated guidance. The objective of such policy shall be to attract, retain 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. The remuneration policy should have regard to the risk appetite of the company and alignment to the company's long-term strategic goals, purpose and values and promote long-term sustainable growth.
- 8.4 When setting remuneration policy for executive directors, review and have regard to workforce remuneration and related policies and the alignment of incentives and rewards with culture.

No director or senior manager shall be involved in any decisions as to their own remuneration outcome. The board shall determine the remuneration of the non-executive directors within the limits set in the Articles of Association.

- 8.5 Review the on-going appropriateness and relevance of the remuneration policy.
- 8.6 Ensure that the remuneration schemes and policies permit the exercise of discretion by the committee to override formulaic outcomes and include provisions to recover and/or withhold sums or share awards under appropriate specified circumstances.

- 8.7 Within the terms of the agreed policy and in consultation with the chairman (or the chief executive where appropriate), set and oversee implementation of the remuneration arrangements for the following:
- (i) the executive directors;
  - (ii) the chairman of the company;
  - (iii) members of the GEC;
  - (iv) the Company Secretary;
  - (v) employees regarded as “material risk takers” under the Remuneration Code, the PRA rulebook and any other remuneration regulation as appropriate; and
  - (vi) any other employees specified by the committee from time to time.
- 8.8 Review workforce remuneration and related policies and the alignment of incentives and awards with culture.
- 8.9 Oversee and approve the buyouts of forfeited rights for new hires of employees described in paragraph 8.6 above in accordance with limits specified by the committee from time to time.
- 8.10 Liaise, as required, with the Group Risk Committee and the Chief Risk Officer to ensure that remuneration policies and practices are in line with sound and effective risk management, and that total variable remuneration does not limit the company’s ability to strengthen its capital base.
- 8.11 The Committee will receive reports and seek advice from the Group Risk Committee and the Chief Risk Officer to ensure:
- (i) there is appropriate risk adjustment to annual and long-term variable remuneration schemes which could benefit the employees within the scope of the committee’s responsibility as per paragraph 8.5 above;
  - (ii) there is appropriate performance adjustment to any unvested awards, deferred awards or paid awards to individuals through the application of malus and/or clawback provisions
- 8.12 The Committee will receive advice from Head of Strategy & Organisation Development as to the determination of the Remuneration Code identified employees of the Group. The committee’s decision will be final as to who should be designated as a Remuneration Code identified employee and who may be excluded from such designation within the allowable parameters of the Remuneration Code.
- 8.13 The Committee will review and approve the company’s regulatory submissions including, but not limited to, the Group’s Remuneration Policy Statement and reports on the operation of performance adjustment (as required).
- 8.14 The Committee may also receive or request advice from the Group Risk Committee and/or the Audit Committee and any relevant control functions to enable the committee to consider remuneration implications of business developments and issues.
- 8.15 The Committee will review annually the remuneration trends across the Group including the relationship between executive remuneration and the remuneration of other Group employees.
- 8.16 The Committee will obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. 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

at the expense of the company but within any budgetary restraints imposed by the board.

- 8.17 The Committee will be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee.
- 8.18 The Committee approve the design of and determine framework for any performance-related pay schemes operated by the company for employees set out in paragraph 9.5 and approve the total annual payments made under such schemes.
- 8.19 The Committee will review the design of all share incentive plans that will require formal 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, the company secretary and other designated senior executives and the performance targets to be used.
- 8.20 The Committee will determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives.
- 8.21 The committee will oversee and approve packages on termination for employees described in paragraph 9.6 above in accordance with limits specified by the committee from time to time. The committee shall ensure that any Group policies on contractual terms on termination are followed and that any payments made are fair to the individual and the Group. The committee shall also ensure that failure or conduct that is not in line with company's values is not rewarded and a duty to mitigate loss is fully recognised. Specifically for directors, the committee will ensure compensation commitments in the terms of appointment do not reward poor performance and the terms are robust in reducing compensation to reflect the departing directors' obligations to mitigate loss.
- 8.22 Agree the policy for authorising claims for expenses from the directors.
- 8.23 Work and liaise as necessary with all other board committees.
- 8.24 Develop a formal policy on post-employment shareholding requirements encompassing both unvested and vested shares and to review annually the executive directors and members of the GEC's shareholding requirements to ensure alignment with the interests of shareholders.

## **9. Monitoring & Assurance**

- 9.1 The committee will assess whether the Group complies with UK legislation and regulation as appropriate, including the UK Corporate Governance Code and the Remuneration Code. In doing so, the committee will carry out an annual review of the general principles of the company's remuneration policies and their implementation.
- 9.2 The committee will, subject to scope and extent, annually review the company's remuneration and reward policies and arrangements to ensure they are aligned to company purpose and values and clearly linked to the successful deliver of the company's long-term strategy and, that they are consistent with and promote effective risk management, The committee will regularly review the adequacy of the company's risk adjustment practices and test how remuneration policies react to external and internal events.

## **10. Reporting responsibilities**

- 10.1 The committee chair shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.

- 10.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

The committee shall provide a description of its work in the annual report in line with the requirements of the Code.

- 10.3 The committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the Companies Act 2006, the Code, the Remuneration Code and Article 450 of the Capital Requirement Regulation, are fulfilled and 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 AGM.

If the committee has appointed remuneration consultants, the annual report shall identify such consultants and state whether they have any other connection with the company or individual directors.

## **11. Other matters**

The committee shall:

- 11.1 have access to sufficient resources to carry out its duties, including, where appropriate, access to the company secretariat for assistance as required
- 11.2 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
- 11.3 give due consideration to laws and regulations, the provisions of the Code, the Remuneration Code and Capital Requirement Regulation and the requirements of the FCA's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate
- 11.4 oversee any investigation of activities which are within its terms of reference
- 11.5 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. 12.5.1 Exercise independent judgement when evaluating the advice of external third parties and when receiving views from executive directors and senior management.

## **12. Authority**

The committee is authorised by the board to obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference.