FEVARA plc

Remuneration Committee Terms of Reference

Version	Approver	Approval Date	Author	Change Description
1.0	Remuneration Committee / Board	13 August 2025	Company Secretariat	CGC 2024

REMUNERATION COMMITTEE
TERMS OF REFERENCE

1. Membership

1.1 The Committee shall comprise at least three members (including the Committee Chair), 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.

1.2 Appointments to the Committee are made by the Board on the recommendation of the Nomination Committee and in consultation with the Remuneration Committee Chair and shall be for a period of up to three years which may be extended for up to two additional three-year periods, provided members (other than the Chair of the Board, if they are a member of the Committee) continue to be independent.

1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Executive Directors, the Head of HR and external advisors may be invited to attend for all or part of any meeting, as and when appropriate. No Director or Senior Manager shall be involved in any decisions, discussions or recommendations as to their own remuneration outcome.

1.4 The Board shall appoint the Committee Chair who shall be an independent Non-Executive Director who should 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 who would qualify under these Terms of Reference to be appointed to that position by the Board. If possible and appropriate, the Committee Chair should be consulted prior to the meeting at which the Committee Chair will be absent. The Chair of the Board shall not be Chair of the Committee.

1.5 The Committee Chair shall review membership of the Committee annually, as part of the annual performance review of the Committee.

2. Secretary

2.1 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 issues.

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

3. Quorum

3.1 The quorum necessary for the transaction of business shall be two Committee members.

4. Frequency of Meetings

4.1 The Committee shall meet at least twice 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 (which may be by telephone or video conference or other electronic means), 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 three working days before the date of the meeting. Supporting papers (which may be in electronic form) shall be sent (or made available) 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 Chair.

6. Minutes of Meeting

6.1 The Secretary of the Committee 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 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.

6.3 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.

7. Engagement with Shareholders

7.1 The Committee Chair should attend the Annual General Meeting (or, as necessary, General Meeting) of the Company to answer any shareholder questions on the Committee's activities.

7.2 In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility including policy or any other aspects of remuneration.

8. 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.

8.1 Remuneration policy and practices

The Committee shall:

8.1.1 set remuneration for the Company's Chair; Executive Directors and the Senior Management Team, including the Company Secretary, in accordance with the principles and provisions of the UK Corporate Governance Code (published January 2024) (**Code**) and which may include:

a) annual salaries or other fixed remuneration or benefits;

b) bonuses and long term incentives, including the determination of annual targets and key performance indicators, and to assess performance against targets and key performance indicators;

c) targets for any performance-related pay schemes;

d) pension benefits;

e) grants of share options or awards;

f) terms and conditions of employment; and

g) payments on termination of employment (ensuring 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 and that there is a clear policy to link non-contractual payments to performance).

The Board itself or, where required by the Articles of Association of the Company, the shareholders should determine the remuneration of the Non-Executive Directors within the limits set in the Articles of Association of the Company.

8.1.2 determine and agree with the Board the policy for the Directors' remuneration and benefits, including pension rights and compensation payments, of the Executive Directors;

8.1.3 in determining the policy for the Directors' remuneration and benefits, consider:

a) relevant legal and regulatory requirements;

b) the provisions and recommendations of the Code and associated guidance;

c) promotion of 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 at least five years, and a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares for Executive Directors and the Senior Management Team (including the Company Secretary);

d) the need for remuneration policies and practices to support strategy and promote the long-term sustainable success, with executive remuneration aligned to Company purpose, culture and values, clearly linked to the successful delivery of the Company's long-term strategy;

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

f) use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances;

g) workforce remuneration and alignment of incentives and rewards with culture.

8.1.4 in determining remuneration policy, take into account all other factors which it deems necessary including:

a) achieving an appropriate balance between fixed and performance related remuneration, immediate and deferred remuneration;

b) ensuring that Executive Directors and the Senior Management Team 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;

c) remuneration trends and employment conditions across the Company;

d) 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;

e) the transparency of the performance-related elements, ensuring they are stretching and rigorously applied.

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.

8.1.5 when determining Executive Director remuneration policy and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;

8.1.6 review the ongoing appropriateness and relevance of the remuneration policy and consult with significant shareholders as appropriate;

8.1.7 within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive Officer, as appropriate, determine the total individual remuneration package of each Executive Director, the Company Chair and the Senior Management Team including bonuses, incentive payments, share options or other share awards, pension arrangements and other bonuses and benefits in cash or in kind. 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;

8.1.8 ensure, where relevant, that any payments made in respect of any remuneration package are permitted under the latest shareholder approved remuneration policy and, if not, that either a revised remuneration policy or the proposed payment is submitted for shareholder approval;

8.1.9 review at least annually the on-going appropriateness and relevance of the remuneration policy and consult with significant shareholders, as appropriate, on the policy or any other aspects of remuneration;

8.1.10 agree the policy for authorising claims for expenses from the Chair, the Chief Executive Officer and the Chief Financial Officer.

8.2 <u>Remuneration consultants</u>

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 and to be to be responsible for the selection criteria, selecting, appointing and setting the terms of reference of any remuneration consultants who advise the Committee. However, the Committee should avoid designing paystructures based solely on benchmarking to the market or on the advice of remuneration consultants.

8.3 <u>Share based remuneration and bonus arrangements, pensions and service contracts</u>

The Committee shall:

8.3.1 review the design of all share incentive plans in which Executive Directors and the Senior Management Team participate 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 for Executive Directors and the Senior Management Team, and the performance targets to be used;

8.3.2 exercise the powers of the Board in relation to:

a) any employee share arrangements:

i) amending or varying such arrangements in accordance with such provisions as the Committee may deem appropriate;

ii) approving new share arrangements; and

iii) granting entitlements and options;

8.3.3 any long term incentive arrangements:

i) amending or varying such arrangements however the Committee may deem appropriate;

ii) monitoring and assessing any performance conditions applicable and ensuring that the performance conditions are fully explained, aligned to the Group's purpose and values, and clearly linked to the Group's long-term strategy and enhancement of shareholder value;

iii) designing and invoking agreed safeguards, for example clawback, to protect against rewards for failure through appropriate risk management of incentive arrangements to ensure that any performance-related payments reflect actual achievements;

iv) approving new arrangements; and

v) granting entitlements and if appropriate to include the granting or purchase of shares as part of such arrangements;

8.3.4 consider bonus arrangements for Executive Directors and members of the Senior Management Team including arrangements for setting targets, key performance indicators and assessing performance;

8.3.5 ensure that all incentive arrangements are aligned to the Company's risk policies and systems, its purpose and values, support the strategy and promote the long-term sustainable success of the Group;

8.3.6 exercise independent judgment and discretion when authorising outcomes under all incentive arrangements taking into account performance of the Company/Group, individual performance and wider circumstances;

8.3.7 exercise the powers of the Board in relation to pension arrangements and other similar employee benefits of the Company and its subsidiaries whether currently in force or to be adopted including the approval of any changes to the rules of such arrangements;

8.3.8 approve the terms of Executive Director service contracts and any material amendments of those contracts;

8.3.9 determine any policy for termination payments and compensation commitments, ensuring that poor performance is not rewarded, and any policy for the inclusion of malus and clawback provisions in Directors' contracts and/or other agreements or documents which relates to Director remuneration; and

8.3.10 approve, execute or give effect to all documents (including service contracts), deeds, acts and things that the Remuneration Committee may consider necessary or desirable in connection with or in relation to any of the foregoing matters.

8.4 <u>Workforce remuneration and related policies</u>

The Committee shall

8.4.1 review employee remuneration and related policies and the alignment of incentives and rewards with culture;

8.4.2 engage with the workforce annually to explain how decision on Executive pay reflect wider Group pay;

8.4.3 oversee any major changes in remuneration and employee benefits structures throughout the Group.

9. Reporting responsibilities

9.1 The Committee Chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.

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, and adequate time should be available for Board discussion when necessary.

9.3 The Committee shall make publicly available the Committee's Terms of Reference by placing them on the Company's website.

9.4 The Committee shall provide a description of its work (including an annual statement by the Committee Chair, the Directors' Remuneration Policy, and an Annual Report on Directors' Remuneration) in the Company's Annual Report in line with the requirements of the Code.

9.5 The Annual Report on Directors' Remuneration shall be submitted for approval by the Board prior to publication of the Annual Report for the relevant financial year.

9.6 The Committee shall also ensure that provisions regarding disclosure of information as set out in the Companie Act 2006 (including any regulations made under that Act), the Code, the UK Listing Rules (as published by the Financial Conduct Authority) (**UKLR**) and any other relevant statutory, regulatory or governance 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 the Annual General Meeting or General Meeting of the Company as necessary.

9.7 In particular, the Annual Report on Directors' Remuneration should include a description of the Company's malus and clawback provision including the circumstances in which malus and clawback could be used; the period for malus and clawback and why the selected period id best suited to the organisation, and whether the provisions were used in the last reporting period.

9.8 If the Committee has appointed remuneration consultants, the consultant should be identified in the Company's Annual Report alongside a statement about any other connection it has with the Company or individual Directors.

9.9 The Committee shall submit the Annual Remuneration report for approval on an advisory basis by shareholders at the annual general meeting each year.

9.10 The Committee shall submit the Directors' Remuneration Policy for approval by the Board and shareholders:

- every three years (or such shorter period as may be required by the applicable legislation);
- in any year in which there is a change to the policy;
- if shareholder approval was not obtained when last submitted;
- if majority shareholder approval was not achieved on the last submitted Annual Remuneration Report.

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 and management 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 on-going basis for all members;

10.3 work and liaise as necessary with other Board Committees, ensuring the interaction between Committees and with the Board is reviewed regularly;

10.4 give due consideration to all relevant laws and regulations, in particular, the directors' duties in the Companies Act 2006, the provisions of the Code and published guidelines or recommendations regarding the remuneration of Company Directors and the formation and operation of share incentive plans, the requirements of the UKLR, Prospectus Rules, Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority, and any other applicable rules, as appropriate;

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

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

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.