

Future plc
(the “Company”)

Terms of Reference: Remuneration Committee

as adopted by the Board of Directors of the Company on 21 September 2021

References to the **Board** shall mean the board of directors of the Company.

References to the **Code** shall mean the UK Corporate Governance Code, as amended.

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

References to the **Committee Chair** shall mean the chair of the Committee.

References to the **Committee Secretary** shall mean the secretary of the Committee.

References to **senior management** shall mean the first layer of management below Board level, and any other senior executives of the Company designed by the Board as **senior management** for this purpose.

References to the **Group** shall mean the Company together with its subsidiary undertakings.

References to the **workforce** shall mean individuals employed under contracts of employment or service, or other arrangements to do work or provide services personally.

1. Membership

- 1.1 The Committee shall, unless the Board determines otherwise, comprise at least three members, all of whom shall be independent non-executive directors. In addition, the chair of the Board may serve on the Committee if he or she was considered independent on appointment as chair. Members of the Committee shall be appointed by the Board, on the recommendation of the nomination committee in consultation with the chair of the Committee. The chair of the Board shall ensure the composition of the Committee is periodically reviewed by the nomination committee.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chief executive, the head of human resources and external advisers may be invited by the Committee to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3 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 chair of the Board, if he or she is a member of the Committee) continue to be independent.
- 1.4 The Board shall appoint the chair of the Committee who shall be an

independent non-executive director with at least 12 months' experience serving on a remuneration committee. In the absence of the chair of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves who would qualify under these terms of reference (save that the experience requirement may be disregarded if no remaining member has such experience) to be appointed to that position by the Board to chair the meeting. The chair of the Board shall not be chair of the Committee.

2. Secretary

The company secretary or his or her nominee shall act as the Committee 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

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

4. Frequency of Meetings

The Committee shall meet at least twice a year and at such other times as the Committee Chair shall require to carry out the duties of the Committee.

5. Notice of Meetings

5.1 Meetings of the Committee shall be called by the Committee Secretary at the request of the Committee Chair.

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 Committee Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

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

6.3 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 it would be inappropriate to do so.

7. Annual General Meeting

The Committee Chair should attend the annual general meeting to answer any 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 detailed below for the Company, major subsidiary undertakings and the group as a whole, as appropriate. Although the Committee may receive input and advice from management, external professional advisors and/or external remuneration consultants, the Committee should exercise independent judgement when carrying out its duties, having regard to their directors' duties and the Company's wider circumstances.

The Committee shall:

- 8.1 where no directors' remuneration policy applies, have responsibility for determining the Company's approach to remuneration for the chair of the Board and the executive directors. The Board itself, or, where required by the Articles of Association, the shareholders, shall set the approach to remuneration for the non-executive directors within any limits set in the Articles of Association, including authorising individual payments;
- 8.2 have responsibility for proposing the terms of the director's remuneration policy as it relates to the chair of the Board and executive directors for approval by shareholders, where required or desirable. The Board itself shall have responsibility for proposing the terms of the directors' remuneration policy as it relates to non-executive directors for approval by shareholders, where required or desirable, within the limits set in the Articles of Association;
- 8.3 review the ongoing appropriateness and relevance of the directors' remuneration policy where applicable;
- 8.4 have responsibility for setting and authorising all remuneration arrangements and payments for the chair of the Board, the executive directors and senior management. This includes (but is not limited to):
 - (A) determining the terms relating to remuneration arrangements / payments (including on cessation of employment or loss of office) set out in any service agreement, letter of appointment, offer letter or similar document, working with the nomination committee as required;
 - (B) setting or authorising salary or salary increases;
 - (C) bonus, performance-related incentive and/or share incentive grants, awards or outcomes;

- (D) benefits packages;
- (E) pension rights; and
- (F) arrangements or payments in connection with the individual's cessation of office or employment (including the terms of settlement agreements or similar documents).

No director or member of senior management shall be involved in any decisions as to their own remuneration;

8.5 when determining the proposed directors' remuneration policy under paragraph 8.2 or arrangements / payments under paragraph 8.4, take into account all factors which it deems necessary which may include:

- (A) relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance;
- (B) alignment with the Company's purpose, values and strategy;
- (C) the Company's need to attract, retain and motivate directors and senior management of the quality required to run the Company successfully in a way that supports Company strategy and promotes long-term success without paying more than is necessary;
- (D) the views of shareholders and other stakeholders;
- (E) the risk appetite of the Company (including in respect of reputational and behavioural risk);
- (F) the principles that:
 - (1) remuneration arrangements should be transparent and avoid complexity;
 - (2) remuneration arrangements should drive appropriate behaviours and poor performance should not be rewarded;
 - (3) a significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to support the delivery of the Company's long-term strategy;
 - (4) remuneration arrangements for departing directors should be proportionate and variable based on Company discretion in order to reflect the circumstances of the departure and the director's conduct and performance;
 - (5) pension contribution rates for directors (or payments in lieu) should seek to be aligned to those available for the workforce; and

- (6) departing directors should be obliged to mitigate loss;
- 8.6 in addition, when determining remuneration policy or arrangements / payments for executive directors:
- (A) review and have regard to:
 - (1) the remuneration of the workforce, including any available data relating to pay gaps or disparity (such as gender pay gap information or pay ratio analysis);
 - (2) remuneration-related policies applicable to the workforce; and
 - (3) alignment of the policy or arrangements / payments being considered with culture and the Company's broader approach to workforce pay;
 - (B) the principles that:
 - (1) remuneration levels should reflect the individual's overall contribution;
 - (2) share awards should normally be released for sale on a phased basis and be subject to a total vesting and holding period of at least five years; and
 - (3) the Company should develop a formal policy on post-employment shareholding requirements (encompassing both unvested and vested shares);
- 8.7 obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity;
- 8.8 approve the design of and approve the total aggregate payments that may be made under any material bonus or performance-related incentive arrangement each year (and in doing so ensure the Committee has appropriate contractual discretions in place that permit the Committee to use discretion to override formulaic outcomes), and in respect of any proposed awards to executive directors and/or senior management, authorise the terms and maximum value of individual awards (inclusive of any performance measures and targets to be used);
- 8.9 review the design of all share incentive plans (including any "all employee" plans) for approval/adoption by the Board and/or the Company's shareholders (and in doing so ensure the Committee has appropriate contractual discretions in place that permit the Committee to use discretion to override formulaic outcomes). For any such plans, provided the necessary approvals have been obtained, in respect of each and every proposed award to executive directors and/or senior management, determine and the terms and maximum value of individual awards (inclusive of any performance measures and targets to be used);

- 8.10 ensure remuneration schemes promote alignment with long-term shareholder interests by (where appropriate) adopting shareholding policies that apply during and post-employment and malus and clawback policies;
- 8.11 ensure that contractual terms on termination are fair to the individual and the Company and reflect the principles that poor performance should not be rewarded and departing directors should be obliged to mitigate loss;
- 8.12 oversee any major changes in employee benefits structures throughout the Company or group;
- 8.13 review material remuneration-related policies applicable to the workforce to ensure:
 - (A) the Committee is familiar with their structure and terms; and
 - (B) the Committee is satisfied they are aligned to the Company's purpose, values and strategy;
- 8.14 agree the policy for authorising claims for expenses from the directors;
- 8.15 work and liaise as necessary with other Board committees including to ensure the Committee understands the views of the Company's stakeholders.

9. Reporting Responsibilities

- 9.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 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 provide a description of its work in the annual report in line with the requirements of the Code.
- 9.4 The Committee shall also ensure that the 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 policy and practices is included in the company's annual report and put to shareholders for approval at the AGM as necessary.
- 9.5 If the Committee has appointed remuneration consultants, the annual report of the Company's directors' remuneration policy and practice should identify such consultants and state whether they have any other connection with the Company or individual directors.
- 9.6 Through the chair of the Board, the Committee Chair shall ensure that the Company maintains dialogue as required with its principal shareholders in order to ensure the Company understands their views on issues relating to

remuneration.

- 9.7 Through the chair of the Board, the Committee Chair shall ensure that the Company maintains dialogue as required with its workforce in order to ensure the workforce understands alignment between executive director remuneration and the Company's broader approach to workforce remuneration.

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 for 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 ongoing basis for all members;
- 10.3 give due consideration to laws, regulations, including the general duties of directors set out in the Companies Act 2006, 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 UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, the EU Market Abuse Regulation, as well as guidelines published by the Investment Association and the Pensions and Lifetime Savings Association and any other applicable rules, as appropriate; and
- 10.4 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.

11. Authority

- 11.1 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.
- 11.2 The Committee is authorised by the Board to appoint, at the Company's expense (but within any budgetary restraints imposed by the Board), external remuneration consultants to advise the Committee. The Committee is exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and evaluating their performance.
- 11.3 The Committee is authorised by the Board to, at the Company's expense (but within any budgetary restraints imposed by the Board), obtain, commission or purchase any reports, surveys or information which it deems necessary to assist it to fulfil its duties.