

Remuneration Committee

Terms of Reference

1. Purpose

The role of the Remuneration Committee (**Committee**) is to assist the board of directors (**Board**) of AJ Bell plc (**Company**) in fulfilling its responsibility to shareholders to ensure that:

- remuneration policy and practices of the Company are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements; and
- remuneration of Executive Directors, '**Senior Management**' (as defined in the UK Corporate Governance Code), Material Risk Takers (**MRTs**), (as defined in the FCA Handbook), and other individuals performing a head of or more senior role within the risk and compliance function (**R&C Role**) (together '**Relevant Employees**') is aligned with the Company's purpose and values and linked to the delivery of the Company's long-term strategy.

2. Authority

The Committee was constituted at a full meeting of the Board of the Company held on 11 September 2007 in accordance with the articles of association of the Company.

The Committee is a committee of the Board from which it derives its authority and to which it regularly reports.

The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members or the company secretary (Secretary), including, without limitation, the establishment of sub-committees which are to report back to the Committee.

The Board authorises the Committee to:

- Carry out all of the duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate professional advice on any matter within its terms of reference as it considers necessary.
- Seek any information it requires from any employee of the Group to perform its duties.
- Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.
- Have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.

3. Membership

The Committee shall comprise a minimum of at least three independent non-executive directors, and the Committee as a whole shall have competence relevant to the sector in which the Company operates. The Committee shall include at least one member of the audit committee. The chair of the Board may be a member, but not chair, of the Committee in addition to the independent non-executive directors provided he or she was considered independent on appointment as chair of the Board, as determined by the Board (in accordance with the principles of the UK Corporate Governance Code). If any non-executive director who is a member of the Committee is deemed not to be independent, then the Board shall provide an explanation as to why they consider it appropriate for such director to be a member of the Committee.

The chair of the Board, if not a Committee member, may be invited to attend its meetings, but not whilst their own remuneration is under consideration.

The Board shall appoint the Committee members, on the recommendation of the nomination committee, in consultation with the Committee chair. It is recognised that the number of independent non-executive directors may fall below three for temporary periods due to departures pending new appointments.

Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as Committee members continue to be independent.

The Board shall appoint the chair of the Committee, who shall be an independent non-executive director who should have served on a remuneration committee for at least 12 months and shall determine the period for which the chair of the Committee will hold office. In the absence of the Committee chair and/or an appointed deputy, the remaining members present at a Committee meeting shall elect one of the other independent non-executive directors present to chair the meeting who would qualify under these terms to be appointed to that position by the Board.

The Committee chair shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.

4. Secretary

The Secretary, or their nominee, shall act as the Secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

5. Quorum and Meetings

The quorum necessary for the transaction of business at a Committee meeting shall be two members, present in person or by audio or video conference, both of whom are independent non-executive directors. If there is difficulty in achieving quorum, independent non-executive directors who are not Committee members, may be co-opted as members for individual meetings.

A duly convened Committee meeting 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.

Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person, by audio or video conference or other electronic means).

If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

Except where he or she has a personal interest, the Committee chair shall have a casting vote.

The Committee chair may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

Only Committee members have the right to attend Committee meetings. However, other individuals such as the chief executive officer, chief financial officer, the human resources director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary, and with the agreement of the Committee chair. The Committee chair shall have the discretion to decide who, other than Committee members, shall attend and address Committee meetings. Non-executive directors who are not members of the Committee may be invited by the Committee chair to attend as observers.

No person of the Company shall be involved in any decisions as to their own remuneration outcome.

A decision of the Committee may be taken by written resolution including electronic means. A decision in this instance will be valid only if taken by the quorum. Any written resolution shall be tabled and noted at the next meeting of the Committee.

6. Frequency of Meetings

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

7. Notice of Meetings

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

Unless the Committee otherwise agrees, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be made available to each Committee member, any other person required to attend, and all other non-executive directors, no later than five days before the date of the meeting. Supporting papers shall be 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 Committee chair.

Ordinarily the Committee will only send notices, agendas and supporting papers in electronic form or make them available via a portal software platform.

8. Minutes of Meetings

The Secretary, or their nominee, shall minute the proceedings and decisions of all Committee meetings, including the names of those present and in attendance.

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

Draft minutes of Committee meetings shall be agreed with the Committee chair and then circulated to all Committee members, unless in the Committee chair's opinion it would be inappropriate to do so. Once approved, minutes shall be circulated to all other Board members unless in the Committee chair's opinion it would be inappropriate to do so.

9. Duties

The Committee shall have delegated responsibility for determining the policy for executive director remuneration (directors' remuneration policy) and setting remuneration for the Chair of the Board, and all Relevant Employees. The Committee shall also consider:

- (a) workforce remuneration and related policies and the alignment of incentives and rewards with culture and take these into account when setting the policy for executive director remuneration.
- (b) workforce policies and practices in relation to culture, diversity & inclusion,

engagement, performance management, recruitment and retention.

- (c) the remuneration of the non-executive directors (excluding the Chair of the Board) shall be determined in accordance with the articles of association or, alternatively, by the Chair of the Board and the Executive Directors. No person shall be involved in any decisions as to their own remuneration.

Subject to the above, the Committee shall consider:

- (a) remuneration policies, including base pay, long- and short-term incentives and post-employment shareholding requirements and the use of the Committee's discretion;
- (b) remuneration practice and its cost to the Company;
- (c) policies in relation to recruitment, service contracts and severance;
- (d) pension and superannuation arrangements and other benefits, including the alignment of pension contribution rates, or payments in lieu, for Executive Directors and Senior Management with those available to the workforce and the pension consequences and associated costs to the Company of basic salary increases and any other changes in pensionable remuneration or contribution rates, particularly for Executive Directors close to retirement, when compared with workforce arrangements;
- (e) the engagement and independence of external remuneration advisers;
- (f) a review of workforce remuneration and related policies, and the alignment of incentives and rewards with culture, specifically taking into consideration annual pay increases, bonus distribution and pay ratios, and pay gaps data;
- (g) a review of people data and associated HR activity in relation to culture, diversity & inclusion, engagement, performance management, recruitment and retention
- (h) a review of talent data in the context of remuneration

In determining the policy for remuneration, the Committee shall:

- (a) take into account all factors which it deems necessary, including the provisions of the Code and Financial Conduct Authority's Remuneration Code, and associated guidance. The objective of such policy shall be to promote the long-term sustainable success of the Company and the alignment to the Company's purpose and values, and ensure that Relevant Employees are provided with appropriate incentives to encourage enhanced performance, taking into account the Company's risk management policy, and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company; and
- (b) specifically consider the risks inherent in proposed targets and criteria set for the remuneration of Executive Directors and Senior Management in terms of the potential impact on behaviours, including whether they may incentivise risk-taking which is outside of risk appetite or may otherwise negatively impact on consumer outcomes.

The Committee shall the Committee shall review the ongoing appropriateness and relevance of the directors' remuneration policy referred to above.

The Committee shall also approve the AJ Bell Group Remuneration Policy, applicable to all staff, review the appropriateness and relevance of the policy on an ongoing basis, taking into account the FCA's Remuneration Code, the Code and relevant Senior management arrangements, Systems and Controls (SYSC Rules) and arrange for an internal review of the implementation of this policy to be carried out each year.

The Committee shall approve the design of any performance related pay schemes operated by the Company for Relevant Employees and shall determine targets for and approve the annual payments made under such schemes for Executive Directors and Senior Management.

The Committee shall ensure that an appropriate balance is maintained between fixed and

performance-related remuneration, immediate and deferred remuneration.

The Committee shall review the design of all share incentive plans for approval by the Board and where required, shareholders. For any such plans, the Committee will determine each year whether awards will be made and if so, the overall amount of such awards, the individual awards to Executive Directors and Senior Management and the performance targets to be used and the safeguards to be incorporated.

The Committee shall monitor and assess any performance conditions applicable to any share incentive awards granted under any schemes or plans adopted by the Company. Ensure that the performance conditions are fully explained, aligned to the Company's purpose and values, and clearly linked to the successful delivery of the Company's long-term strategy and enhancement of shareholder value.

Within the terms of the agreed policy and in consultation with the chair of the Board and/or chief executive officer as appropriate, the Committee shall determine the total individual remuneration package of each Executive Director and Senior Management including bonuses, incentive payments and share options or other share awards and pension arrangements.

In determining such packages and arrangements, the Committee shall give due regard to any relevant legal requirements, the provisions of the FCA's Remuneration Code, relevant SYSC Rules and the provisions and recommendations in the Code.

The Committee shall:

- approve the methodology for identifying Material Risk Takers in the Company;
- approve the list of roles identified as Material Risk Takers roles;
- review the list of individuals identified as Material Risk Takers in the Company.

The Committee shall:

- monitor and review the level and structure of remuneration of all Relevant Employees;
- review and note annually the remuneration trends across the Group;

- oversee any major changes in employee benefits structures throughout the Group;
- when determining remuneration schemes and the remuneration policy, consider the use of discretion by the Committee to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate circumstances;
- exercise any discretion or judgment on remuneration outcomes in accordance with any incentive schemes and the remuneration policy, taking account of Company and individual performance, and wider circumstances.

The Committee shall:

- determine the policy for, and scope of, termination payments and compensation commitments for each Executive Director and Senior Management and ensure that there is a clear policy to link non-contractual payments to performance; and
- 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;

The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

The Committee shall obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

The Committee shall consider such other matters as may be requested by the Board.

10. Shareholder approval

The Committee shall:

- (a) produce a report to shareholders annually on matters relating to executive remuneration that shall include the information required to be disclosed by the

Companies Act 2006 (including any regulations made under that Act), the Code, the Listing Rules (as published by the Financial Conduct Authority) and any other relevant statutory, regulatory or governance codes and incorporate:

- (b) an annual statement by the Committee's chair and annual report on directors' remuneration (together, **annual remuneration report**); and
- (c) the directors' remuneration policy when it must be submitted for approval in accordance with paragraph 10.3 (**directors' remuneration policy**) and, in any other case, either the directors' remuneration policy, a summary of such policy or details of when the directors' remuneration policy was approved and where it can be found on the Company's website;
- (d) subject to delegation of authority by the Board, determine whether the disclosure of any information on performance conditions and performance targets would be commercially sensitive;
- (e) submit the directors' remuneration policy for approval by the Board and shareholders;
- (f) every three years;
- (g) in any year in which there is a change to the policy;
- (h) if shareholder approval was not obtained when last submitted; and
- (i) if majority shareholder approval was not achieved on the last submitted annual remuneration report.
- (j) submit the annual remuneration report for approval on an advisory basis by the Board and shareholders at the annual general meeting each year; and
- (k) subject to delegation of authority by the Board, engage in appropriate discussions as necessary with shareholders if 20% or more of votes have been cast by shareholders against a resolution to approve the annual remuneration report or directors' remuneration policy or any

incentive scheme at any annual general meeting or general meeting, as the case may be, and agree with the Board any appropriate disclosure.

11. Reporting Responsibilities

The Committee shall:

- (a) Report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all Committee meetings shall, unless in the Committee chair's opinion it would be inappropriate to do so, be included in the Board papers for a subsequent Board meeting.
- (b) Report to the Board on wider workforce data and associated activity, as appropriate, in relation to remuneration, diversity & inclusion, engagement, performance management, recruitment and retention to support the Board's monitoring of the alignment of Company policies and practices with culture and strategy.
- (c) Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- (d) Ensure that provisions regarding the disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the FCA's Disclosure Guidance and Transparency Rules and the Code, are fulfilled.
- (e) Prepare a formal report for shareholders to be incorporated in the Company's annual report that shall include the matters requiring shareholder approval and ensure that it is submitted for approval in accordance with the appropriate guidance.
- (f) If the Committee has appointed remuneration consultants, identify in the annual report, the name of the consultants and state whether they have any connection with the Company.

- (g) Ensure, through the chair of the Board, that the Company maintains contact as required with its principal shareholders about remuneration.
- (h) Prepare and adopt a report on the Committee's work and activities for inclusion in the Company's annual report.
- (i) Make available to shareholders these terms of reference by placing them on the Company's website.

12. Annual General Meeting

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

13. General Matters

The Committee shall:

- (a) Consider other duties determined by the Board from time to time.
- (b) Have access to sufficient resources to carry out its duties, including access to the Secretary and management for assistance as required.
- (c) Be provided with appropriate and timely training, both in the form of an induction programme for new Committee members, and on an on-going basis for all Committee members.
- (d) Give due consideration to all applicable laws and regulations, in particular the directors duties contained in the Companies Act 2006, the provisions of the UK Corporate Governance Code, the requirements of the Financial Conduct Authority's (FCA) Listing, Prospectus and Disclosure Guidance and Transparency Rules, FCA Rules and Consumer Duty principles, the FRC Minimum Standard and any other applicable rules as appropriate.

(e) Work and liaise as necessary with all other Board committees, taking particular account of any delegation of the impact of risk management and internal controls to different committees.

(f) Arrange for periodic reviews of its own performance and, at least annually review its terms of reference to ensure it is operating at maximum effectiveness, and recommend any changes it considers necessary to the Board for approval.

Approved by	Board
Approval Date	11/2024
Next Review Date	09/2025