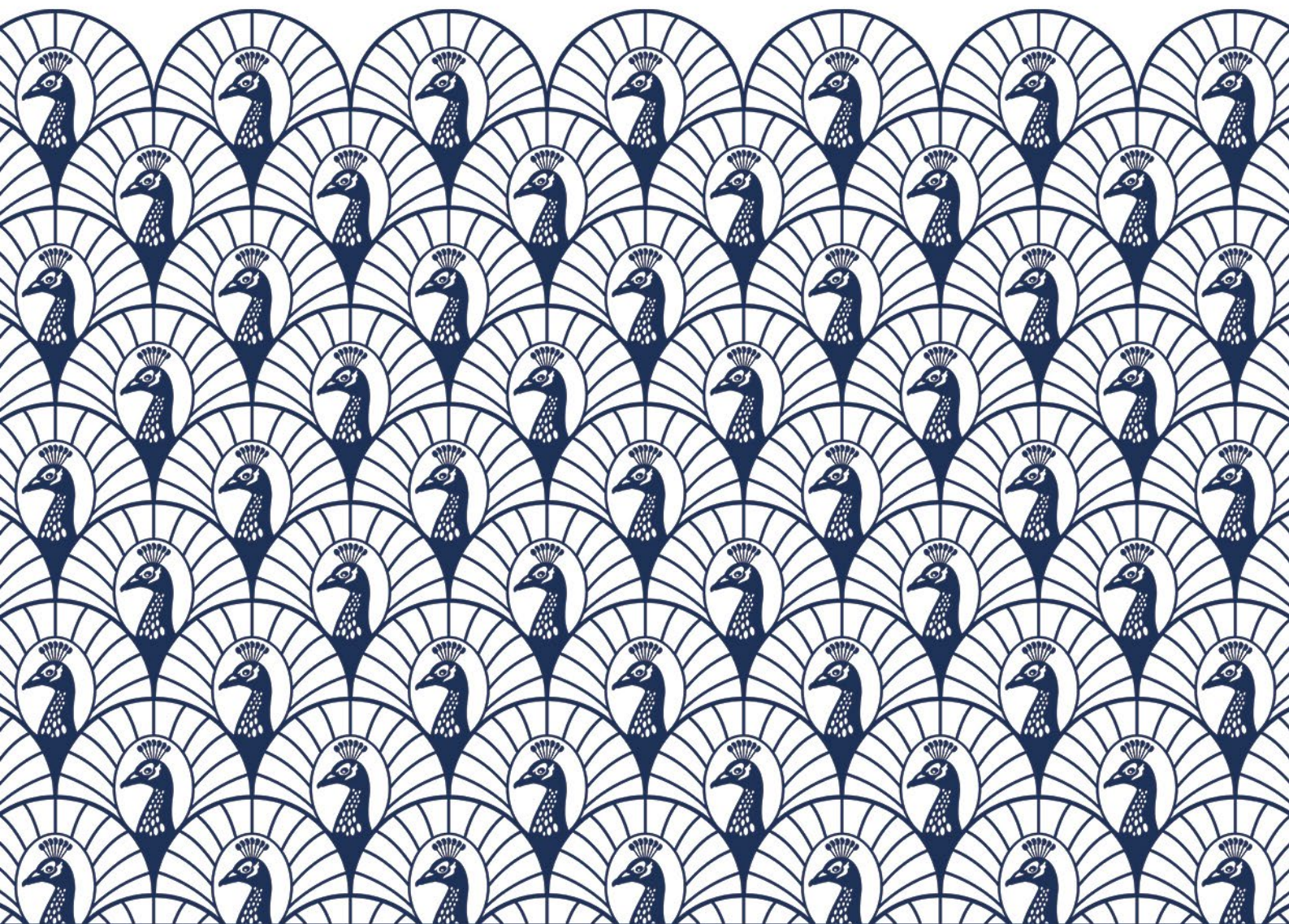




ARBUTHNOT LATHAM

Bankers since 1833



## AL Remuneration Committee Terms of Reference

Approved by the AL Board

22 November 2023 (June 2024 update)

## AL Remuneration Committee Terms of Reference

<b>Chair</b>	<b>Sir Nigel Boardman, Chair</b>
<b>Secretary</b>	Nick Jennings, Company Secretary
<b>Members</b>	<p>Sir Henry Angest, President and Director  Richard Gabbertas, Independent Non-Executive Director  Angela Knight, Independent Non-Executive Director</p> <p>All members of the Committee must be Non-Executive Directors.</p>
<b>Quorum</b>	Two members, one of whom must be the President or his chosen alternate (or, should it become necessary to invoke succession planning arrangements, Frederick Angest or any other person named from time to time for these purposes on the 'HA Succession Planning Document').
<b>Invitees</b>	As decided by the Chair of the Committee but may include the Chief Executive, the Finance Director and Deputy Chief Executive, the Group HR Director and the Head of Compliance.
<b>Meetings</b>	The Committee will normally meet at least twice per year, or more frequently where necessary.
<b>Delegated Authority</b>	<p>The Board of Arbuthnot Latham &amp; Co. Ltd. (AL) authorises the Committee to:</p> <ul style="list-style-type: none"> <li>• Exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</li> <li>• Examine any activity within its Terms of Reference.</li> <li>• Seek any information that it requires from any employee or director of AL or its subsidiaries, and all such employees or directors will be directed to co-operate with any request made by the Committee.</li> <li>• Obtain, at AL's expense (subject to reasonable costs), legal or other independent professional advice on any matter within its terms of reference.</li> </ul>
<b>Main Responsibilities</b>	<p>The responsibilities of the Committee are set out below:</p> <ul style="list-style-type: none"> <li>• Determine the policy for and amount of employee remuneration including that of executive directors.</li> </ul> <p>In this regard, the Committee shall:</p> <ul style="list-style-type: none"> <li>• take into account, all factors which it deems necessary, including relevant legal and regulatory requirements and provisions and recommendations of relevant guidance;</li> </ul>



- approve remuneration and performance adjustment policies which attract, retain and motivate executive directors of AL without paying more than necessary and takes account of AL's appetite for risk and long- term strategic goals with a significant proportion of remuneration structured so as to link rewards to corporate and individual performance;
- detail the policy for, and scope of, pension arrangements for each executive director;
- ensure that contractual terms on termination of executive directors, and any payments made, are fair to both the director and AL, do not reward failure and recognise the duty to mitigate loss;
- ensure that remuneration schemes promote long-term shareholdings or quasi-shareholdings by executive directors that support alignment with long-term shareholder interests, with awards granted for this purpose having appropriate vesting periods;
- include, where appropriate, the right of the Committee to override formulaic outcomes, with the ability to recover and/or make withholdings in specified circumstances;
- ensure that remuneration and performance adjustment policies and practices are:
  - clear;
  - simple;
  - such that rewards do not derive from excessive risk- taking;
  - predictable (such that the range of reasonable values are reasonably calculable at the time of award);
  - proportionate to the work undertaken by the executive directors, with no rewards for poor performance; and
  - aligned with the Arbuthnot Principles and Values and the culture deriving therefrom; and
- review workforce remuneration and related policies and the alignment of incentives and rewards with the Arbuthnot Principles and Values, taking these into account when setting the policy for workforce remuneration including that of executive directors .
- determine non-executive director remuneration in accordance with the Articles of Association, reflecting the time responsibilities for the role;
- determine and agree the remuneration of all Senior Manager Functions within the AL Group, in addition to AL Board Directors, any employee within 'Cohort 1' of the AL cohorts system and each of the directors of subsidiary companies.
- to oversee the remuneration of the other senior officers in the risk management and compliance function, namely the Chief Risk Officer, Head of Compliance, MLRO, Chief Credit Officer and also, on the

recommendation of the Audit Committee Chair, the Head of Internal Audit;

- To review and approve the list of Material Risk Takers and to review their remuneration;
- review the continuing appropriateness and relevance of the remuneration and performance adjustment policies;
- set an appropriate ratio between the fixed and variable components of total remuneration and to ensure that: a) both (fixed and variable components ) are appropriately balanced; and b) the level of the fixed component represents a sufficiently high proportion of the total remuneration.
- review the Directors' Remuneration Report in the Annual Report, which review shall be implied by the approval of the relevant Annual Report;
- review the design of, and determine targets for, any performance-related pay schemes from time to time, and approve the total annual payments made under such schemes;
- obtain reliable, up-to-date information (whether through conversations with others in the industry, or otherwise) about remuneration in other companies of comparable scale;
- review and approve the Annual Review of Remuneration Policy Statement;
- consider and approve the proposed implementation of any regulatory clawback requirements; and
- consider such other matters as may be requested by the Board of directors.

In the event that the Committee does not agree unanimously on any matter, the dissenting member shall have the opportunity to present his/her view to the Board, and any final decision will in this case be made by the Board.

No director shall be involved in any decisions as to his or her own remuneration.