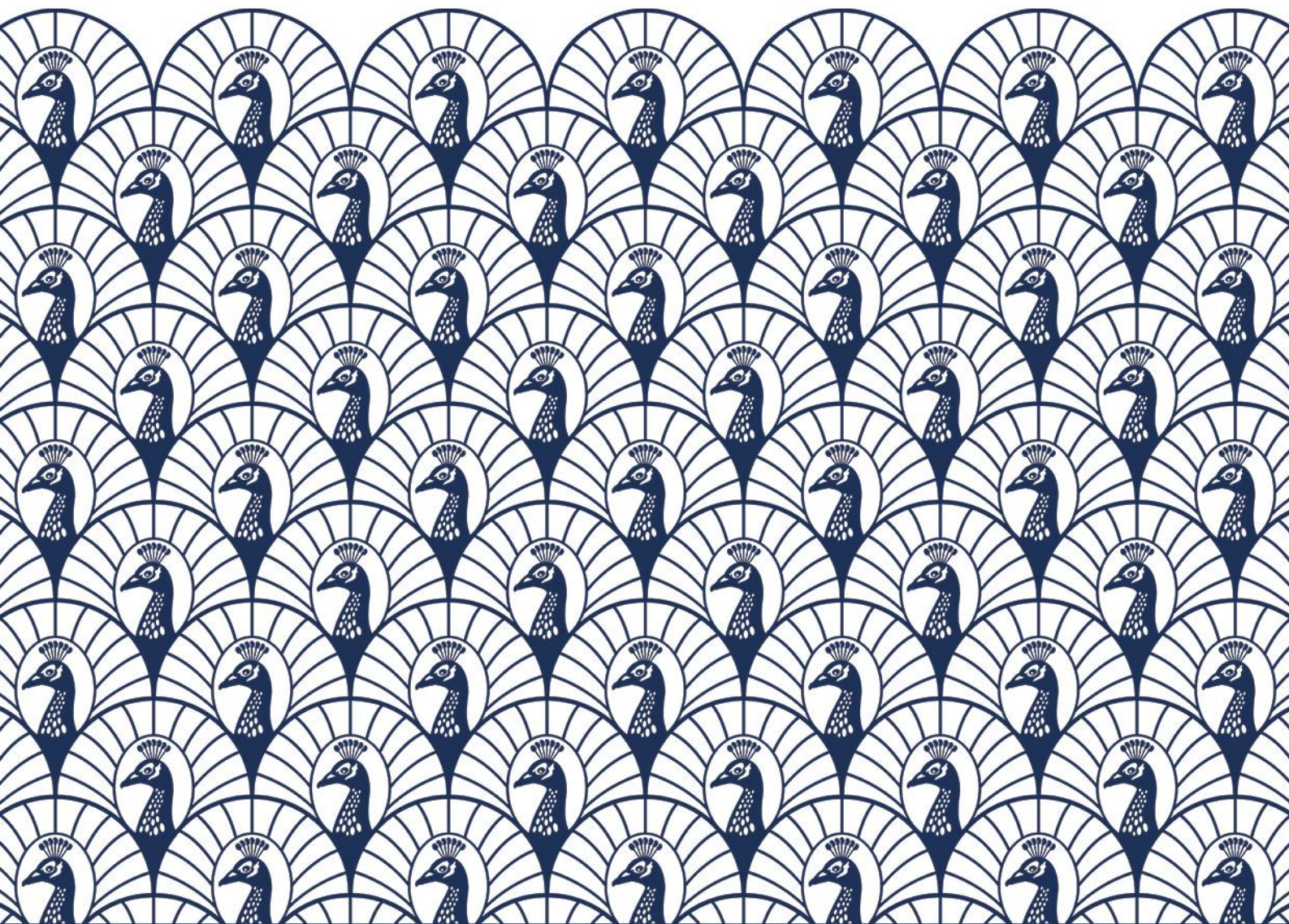




ARBUTHNOT LATHAM

Bankers since 1833



AL Remuneration Committee Terms of Reference

Approved by the AL Board

27 November 2024

AL Remuneration Committee Terms of Reference

Chair	Sir Nigel Boardman, Chair
Secretary	Nick Jennings, Company Secretary
Members	<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>
Quorum	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').
Invitees	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 Chief Compliance Officer.
Meetings	The Committee will normally meet at least twice per year, or more frequently where necessary.
Delegated Authority	<p>The Board of Arbuthnot Latham & Co. Ltd. (AL) authorises the Committee, subject to the overriding authority of the Remuneration Committee of Arbuthnot Banking Group PLC (ABG), to:</p> <ul style="list-style-type: none"> • Exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. • Examine any activity within its Terms of Reference. • 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. • Obtain, at AL's expense (subject to reasonable costs), legal or other independent professional advice on any matter within its terms of reference.
Main Responsibilities	<p>The responsibilities of the Committee are set out below:</p> <ul style="list-style-type: none"> • Determine the policy for and amount of employee remuneration including that of executive directors, other than those executive directors who are also directors of ABG. <p>In this regard, the Committee shall:</p>

- take into account, all factors which it deems necessary, including relevant legal and regulatory requirements and provisions and recommendations of relevant guidance;
- approve remuneration and any associated 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 any associated 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 Arbutnot Principles and Values and the culture deriving therefrom; and
- review workforce remuneration and related policies and the alignment of incentives and rewards with the Arbutnot Principles and Values, taking these into account when setting the policy for workforce remuneration including that of executive directors.
- determine non-executive director remuneration, other than for those non-executive directors who are also directors of ABG.
- 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 and each of the directors of subsidiary companies.
- oversee the remuneration of the other senior officers in the risk management and compliance function, namely the Chief Risk Officer, Chief Compliance Officer, MLRO & Enterprise Risk, Chief Credit Officer and also, on the recommendation of the Audit Committee Chair, the Head of Internal Audit;
- review and approve the list of Material Risk Takers and to review their remuneration;
- review and approve all bonuses in excess of 33% of total remuneration and/or any annual remuneration package in excess of £500,000 in relation to any AL employee that has not been approved in advance by the Ultimate Majority Shareholder;
- 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.