

Lords Group Trading plc (the "Company")

Remuneration Committee Terms of Reference

Constitution

The Remuneration Committee (**Committee**) was constituted as a committee of the board of directors of Lords Group Trading plc (**Company**) (**Board**) at a meeting of the Board held on 14 July 2021 in accordance with the Articles of Association of the Company.

Objectives

The overarching objectives of the Committee are to:

- develop remuneration packages which motivate directors and are supportive of long-term value creation and the Company's purpose, strategy and culture;
- align the interests of the executive team with the interests of long-term shareholders;
- encourage executive and senior team members (Senior Executives) to operate within the risk parameters set by the Board; and
- ensure that the Company can recruit and retain high-quality executives through packages which are fair and attractive, but not excessive.

Terms of Reference

The Committee Terms of Reference have been approved by the Board and are set out below.

1. MEMBERSHIP

- 1.1. The Committee shall be appointed by the Board of the Company on recommendation of the Nomination Committee and shall consist of a majority of independent non-executive directors of the Company. The Chair of the Board of the Company may serve as an additional member of the Committee provided he is independent, but shall not chair the Committee.
- 1.2. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods.
- 1.3. The Board of the Company shall, on recommendation of the Nomination Committee, appoint the Chair for the Committee (the "Committee Chair"), ideally with at least 12 months of experience of having served on a remuneration committee. 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. The Board Chair shall not be chair of the Committee.
- 1.4. The Committee Chair shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.

2. SECRETARY

- 2.1 The Company Secretary (or their nominee) shall act as the secretary of the Committee.

3. QUORUM AND VOTING

- 3.1 The quorum necessary for the transaction of business shall be any two members of the Committee.
- 3.2 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 3.3 The Committee Chair shall not have a casting vote.

4. FREQUENCY OF MEETINGS

- 4.1 The Committee shall meet not less than twice a year and at such other times as the Committee shall determine.

5. NOTICE OF MEETINGS

- 5.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members.
- 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 and any other person invited to attend not less than five working days prior to the date of the meeting. Supporting papers shall be sent to members of the Committee, and to other attendees as appropriate, at the same time.

6. MINUTES OF MEETINGS

- 6.1 The secretary shall prepare and circulate promptly minutes of the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.

7. DUTIES

The Committee shall:

- 7.1 determine the framework or broad policy for the remuneration of the executive directors of the Company, the company secretary (where the company secretary is an employee) and such other Senior Executives within the remit of the Committee as it is designated to consider, including pension rights and compensation payments (**Remuneration Policy**).
- 7.2 in determining Remuneration Policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance (including the QCA Corporate Governance Code (**QCA Code**) and the QCA's Remuneration Committee Guide).
- 7.3 The Remuneration Policy should be designed to *inter alia*:
 - (a) have regard to the Company's appetite for risk;
 - (b) be aligned to the Company's purpose and strategy.
 - (c) be appropriate to the Company's stage of development;
 - (d) promote the long-term growth of shareholder value;

- (e) be supportive of and reinforce the Company's desired corporate culture and promote the right behaviours and decisions;
 - (f) be simple and easy for Senior Executives to understand;
 - (g) where and to the extent appropriate, foster alignment with shareholders through meaningful stakebuilding;
 - (h) link a significant proportion of reward to corporate and individual performance.
- 7.4 review the ongoing appropriateness and relevance of the Remuneration Policy;
 - 7.5 approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes;
 - 7.6 review the design of all Share, Bonus & Long-Term Incentive Plans (and any proposed amendments thereto) for approval by the Board and, where appropriate, shareholders. For any such plans, the Committee shall determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to directors and other Senior Executives and the performance targets to be used and assessed against.
 - 7.7 The Committee shall also approve the overall pool of awards to be made to employees (other than directors) and the broad policy or framework for determining the distribution thereof;
 - 7.8 The Committee shall determine the policy for, and scope of, pension arrangements for each executive director and Senior Executive (generally);
 - 7.9 ensure 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;
 - 7.10 within the terms of the agreed Remuneration Policy, and in consultation with the Board Chair and/or Chief Executive as appropriate, determine the total individual remuneration package of the CEO and Chief Financial Officer and any other executive director of the Board [and the Senior Executives] from time to time, including bonuses, incentive payments, share options or other awards. The positions and individuals subject to this provision may be varied by decision of the Board;
 - 7.11 The Committee shall monitor the level and structure of remuneration of Senior Executives. The agreeing of precise salary and benefits packages for Senior Executives shall fall within the remit of the executive provided that such packages comply with the Remuneration Policy and are accounted for in all material respects in the approved budget for the relevant period. Any remuneration packages falling outside these parameters shall require review and approval by the Committee.
 - 7.12 when setting the Remuneration Policy for directors, the Committee shall review and have regard to the pay and employment conditions across the Company and the wider group, particularly when considering salary increases;
 - 7.13 oversee any major changes in employee benefits structures throughout the Company;
 - 7.14 produce a suitable remuneration report to be included in the Company's annual report which complies with applicable laws and regulations, the AIM rules and the minimum recommended requirements of the QCA Corporate Governance Code (or such other corporate governance

code as the Company may adopt from time to time). The Committee shall additionally consider recommendations for optional enhanced disclosures under the relevant corporate governance code and incorporate those where it considers it appropriate. If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company;

- 7.15 ensure appropriate communications with shareholders in relation to remuneration matters outside of the annual report; and
- 7.16 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

8. REPORTING RESPONSIBILITIES

- 8.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2 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. SHAREHOLDER CONSULTATION

- 9.1 The Committee shall consider, agree and, where appropriate, undertake appropriate consultation with shareholders in relation to matters within its remit.
- 9.2 The Committee shall make recommendations to the Board in relation to the submission of remuneration-related matters to shareholder vote.

10. AUTHORITY

The Committee is authorised:

- 10.1 to seek any information it requires from any employee or director of the Company in order to perform its duties;
- 10.2 in connection with its duties to obtain, at the Company's expense, any outside legal or other professional advice.

11. GENERAL

- 11.1 The Committee Chair should make themselves available at each Annual General Meeting of the Company to answer questions concerning the Committee's work.
- 11.2 The Committee shall 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.
- 11.3 The Committee shall arrange for periodic reviews of its own performance and, at least once a year, 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.
- 11.4 The Committee shall give due consideration to all applicable laws and regulations in particular the directors' duties contained in the Companies Act 2006, the QCA Code, the QCA Remuneration Committee Guide, and the requirements of the London Stock Exchange's rules for AIM, as appropriate.

- 11.5 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.6 Through the Board Chair or the Committee Chair, the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.

12. AMENDMENT

- 12.1 These terms of reference may only be amended by authority of a resolution of the Board.

Last reviewed by the Board of Lords Group Trading plc on 23 January 2025.