

## **Close Brothers Group plc**

### **Remuneration Committee (the “Committee”)**

#### **Terms of Reference**

**Approved by the Board on 24 July 2025**

#### **1. Purpose**

The Board of Close Brothers Group plc (the “**Board**”) has delegated responsibility to the Remuneration Committee with regard to matters relating to:

- The Group’s remuneration framework
- Remuneration of the Board and senior executives
- Key remuneration decisions

The Committee shall carry out the duties below on behalf of the Board in respect of Close Brothers Group plc, and each of its subsidiaries and divisions, (the “**Group**”), as appropriate.

#### **2. Membership and quorum**

##### Members

- 2.1. Members of the Committee shall be appointed by the Board and shall be made up of at least three members, all of whom should be independent non-executive directors.
- 2.2. The Board shall appoint the Chair of the Committee (the “**Chair**”) who should be an independent non-executive director. The Chair must, unless in exceptional circumstances the Board determines otherwise, have served on a remuneration committee for at least twelve months prior to appointment.
- 2.3. In the absence of the Chair or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Board shall not be the Chair of the Committee.
- 2.4. Appointments to the Committee shall be for a period of up to three years, which may be extended for further three-year periods, provided the director remains, in the opinion of the board, independent.
- 2.5. The Chair shall attend the Annual General Meeting to respond to any shareholder questions on the Committee’s activities. In addition, the Chair should seek engagement with shareholders on significant matters related to the Committee’s areas of responsibility as appropriate.

### Attendance

- 2.6. Only members of the Committee have the right to attend Committee meetings.
- 2.7. Other individuals such as the Chair of the Board (if not also a member of the Committee), other Non-Executive Directors, the Group Chief Executive, the Group Head of HR, the Group Chief Risk Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

### Quorum

- 2.8. The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee 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.

## **3. Committee management**

### Secretary

- 3.1. The Company Secretary or their nominee shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

### Frequency of Meetings

- 3.2. The Committee shall meet at least twice a year and at such other times as the Chair shall require.

### Notice of Meetings

- 3.3. Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chair or any of its members.
- 3.4. The notice, agenda and papers for the meeting will be circulated to all Committee members and any other person required to attend, no later than five working days before the date of the meeting, unless agreed with the Chair in advance.

### Minutes of Meetings

- 3.5. The Secretary shall minute the proceedings and decisions of meetings of the Committee, including recording the names of those present and in attendance.
- 3.6. Minutes of Committee meetings shall be agreed with the Chair and circulated promptly to all members of the Committee.
- 3.7. Minutes of Committee meetings will be made available to all Board members and the Company Secretary unless it would be inappropriate to do so. The minutes may also be circulated to other interested parties.

### Terms of reference

- 3.8 The Committee shall, at least annually, review these Terms of Reference and its own performance, as well as the quality of information it receives and recommend any necessary changes to the Board for approval.

## **4. Responsibilities**

The Committee shall:

### Remuneration Policy

- 4.1 Determine and agree the framework and the broad policy for the remuneration of the company's executive directors and other designated senior executives (which will include members of the Group Executive Committee plus the Company Secretary).
- 4.2 When setting and reviewing the remuneration policy and practices for executive directors:
- Have regard to the long-term interests and sustainable success, strategy and risk profile of the Group;
  - Consider that risk is properly considered, that the remuneration incentives and rewards are compatible with the group's risk policies and alignment to culture;
  - Ensure the objective is to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders
  - Ensure the remuneration policies and practices comply with all relevant regulation, legislation, guidance and good remuneration practice.
- 4.3 Review workforce remuneration and related policies and ensure the employment conditions of the workforce generally are taken into account when setting the remuneration policy.
- 4.4 Review the ongoing appropriateness and relevance of the remuneration policy.
- 4.5 Ensure that the implementation of the remuneration policy, is subject to an annual independent internal review to ensure compliance with policies and procedures.

### Remuneration Implementation – Board, Executive Directors, Executive Committee and Senior Management

- 4.6 Determine and agree the remuneration of the Chair of the Board). The remuneration of non-executive directors (excluding the Chair of the Board) shall be a matter for the Chair and the executive members of the Board.

- 4.7 In consultation with the Chair of the Board and Group Chief Executive, determine the total individual remuneration package of each executive director and other designated senior executives (which will include members of the Group Executive Committee plus the Company Secretary) including bonuses, incentive payments and share options or other share awards.
- 4.8 Have oversight of the identification of group Material Risk Takers, and approval of the final list of Material Risk Takers in any given performance year.
- 4.9 Recommend and monitor the level and structure of remuneration for such other members of the executive management as it deems suitable to consider, including all group Material Risk Takers and senior control function staff, in line with relevant legal and statutory requirements.
- 4.10 Determine the policy for, and scope of, pension arrangements for each executive director and other designated senior group executives.

#### Risk Adjustment

- 4.11 With input from the Chair of the Risk Committee and the Group Chief Risk Officer, oversee and challenge the annual risk adjustment process to be applied with respect to variable remuneration for group employees, and determine whether an appropriate level of risk management and performance adjustment has been applied in performance assessments and remuneration awarded.
- 4.12 Consider and approve proposals on the application of malus and clawback mechanisms, seeking appropriate input from the Chair of the Risk Committee, the Group Chief Risk Officer and other relevant executives.

#### Other policy responsibilities

- 4.13 Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the group, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 4.14 Review and approve recruitment and termination packages of quantum exceeding certain pre-agreed levels including significant buy-out or sign-on awards.
- 4.15 Oversee any major changes in employee benefits structures throughout the group.
- 4.16 Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

#### Performance-related remuneration and share schemes

- 4.17 Review and approve individual sales incentive schemes operated in the group that require approval under pre-agreed criteria and monitor and oversee the operation of those sales incentive schemes.
- 4.18 Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the

individual awards to executive directors and other designated senior executives and the performance targets to be used.

- 4.19 Consider and approve risk management objectives to be used for the vesting of long-term incentive schemes, and (with appropriate input from the Chairs of the Risk and Audit Committees) review and assess management's achievements against those objectives as part of the determination of relevant vesting percentages.
- 4.20 Approve the design of any performance related pay schemes operated by the group that would be likely to materially impact the divisional bonus pool, and / or, create a significant change to the overall compensation ratios for a division.

#### Disclosures

- 4.21 Produce an annual report of the company's remuneration policy and practices to be included in the company's Annual Report and ensure each year that it is put to shareholders for approval at the Annual General Meeting.
- 4.22 Review and approve any public reporting or other disclosure to be made by the group in relation to gender pay gap reporting.
- 4.23 Review and approve the annual Remuneration Policy Statement for the Prudential Regulatory Authority and Financial Conduct Authority.

### **5. Reporting Responsibilities**

- 5.1 The Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 5.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 5.3 Through the Chair of the Board and the Chair of the Committee, the Committee shall ensure that the company maintains contact with its principal shareholders about remuneration.

### **6. Other matters**

The Committee shall:

- 6.1 Work and liaise as necessary with other Board committees, ensuring that the Committee's interaction with the Board and other committees is reviewed periodically.
- 6.2 Review and approve those policies which from time to time fall to be considered by the Committee under the Group Policy Framework.
- 6.3 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.

## **7. Authority**

The Committee is authorised by the Board to:

- 7.1 Investigate any activity within these Terms of Reference. It is authorised to seek any information it requires from, and require the attendance at its meetings of, any employee in order to perform its duties.
- 7.2 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required.
- 7.3 Obtain, at the Company's expense, external legal or other professional advice on any matters it believes necessary.
- 7.4 Commission any reports or surveys which it deems necessary to help it fulfil its obligations.
- 7.5 Seek input from the Risk Committee (through its Chair) and/or the Risk function (through the Group Chief Risk Officer) and the Compliance function, as appropriate, including when approving the structure of the remuneration policy and determining remuneration outcomes.
- 7.6 Delegate any matter or matters to another committee or person(s) as it deems appropriate.
- 7.7 Publish in the Company's Annual Report, details of any issues that cannot be resolved between the Committee and the Board.