

## **MONY PLC (the "Company")**

### **TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE**

#### **1. CONSTITUTION**

- 1.1 The Remuneration Committee (the "**Committee**") has been established by resolution of the Board of Directors of the Company (the "**Board**").
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.

#### **2. MEMBERSHIP**

- 2.1 The Board shall appoint the Chair of the Committee (the "**Chair**"), who shall be an independent non-executive director and not the chair of the Board. Before appointment as Chair of the Committee, the appointee shall have normally served on a remuneration committee for at least 12 months. In the absence of the Chair or any appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.
- 2.2 The members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chair.
- 2.3 The Committee shall consist of at least three members, all of whom are independent non-executive directors. The Chair of the Board may also serve on the Committee as an additional member if they were considered independent on appointment.
- 2.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the non-executive director still meets the criteria for membership of the Committee.
- 2.5 The Board shall regularly review the membership of the Committee to ensure that membership is refreshed, and undue reliance is not placed on particular individuals.
- 2.6 If executive directors or senior management are involved in advising or supporting the Committee, that role should be clearly separated from their role within the business and care should be taken to recognise and avoid conflicts of interest.
- 2.7 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.

#### **3. QUORUM**

- 3.1 The quorum necessary for the transaction of business shall be two members, present in person or by audio or video conference.
- 3.2 A duly convened meeting of the Remuneration 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.

#### **4. ATTENDANCE AT MEETINGS**

- 4.1 Only members of the Committee are entitled to be present or vote at a meeting of the Committee. However, other individuals may be invited to attend by the Chair for all or part of any meeting, as and when appropriate and necessary.
- 4.2 Without prejudice to the foregoing provision, the Chair of the Board, Chief Executive Officer, members of senior management, the Chief People Officer and external advisers, will be invited to meetings on a regular basis.
- 4.3 No individual shall be involved in any decisions as to their own remuneration.

#### **5. SECRETARY**

- 5.1 The Company Secretary, or their nominee, shall act as the secretary of the Committee (the "**Secretary**").
- 5.2 The Secretary shall keep a record of:
  - 5.2.1 the membership, and the dates of any changes to the membership, of the Committee; and
  - 5.2.2 any person who, or firm which, provides advice or services to the Committee or materially assists the Committee on matters relating to directors' remuneration and the nature of any other services provided by that person to the Company during the year.

#### **6. FREQUENCY OF MEETINGS**

Meetings shall normally be held at such times as the Committee deems appropriate and in any event shall be held not less than three times a year. At least one meeting shall be held for the purpose of preparing and reviewing the directors' remuneration report.

#### **7. PROCEEDINGS**

- 7.1 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the provisions of the Company's Articles of Association ("**Articles**") regulating the meetings and proceedings of directors.
- 7.2 The Articles provide, amongst other things, that meetings may be held by telephone or video conference and a quorum shall be deemed to be present if at least the number of committee members required to form a quorum participates by telephone or video conference.
- 7.3 Meetings of the Committee shall be called by the Secretary at the request of the Committee chair or any of its members.
- 7.4 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be made available to each member of the Committee and any other person required to attend no later than 48 hours prior to the date of the meeting.

- 7.5 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The Secretary shall record the proceedings and decisions of all meetings of the Committee, including the names of those present and in attendance. The Secretary shall circulate the draft minutes of such meetings to all members of the Committee promptly. Once agreed, the minutes shall be circulated by the Secretary to all members of the Board, unless exceptionally, the Committee decides it would be inappropriate to do so.
- 7.6 Although normally decisions are reached on a consensus, in the event of a disagreement, decisions on any matter are made by the majority, with the Chair having the casting vote in the event of a tie. A Committee member who remains opposed to a proposal after a vote is taken can ask for their dissent to be noted within the minutes.
- 7.7 The Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

## 8. **AUTHORITY**

- 8.1 The Committee is authorised by the Board at the expense of the Company to investigate any matter within its terms of reference. It is authorised to seek any information it requires from any employee in order to perform its duties and all employees are directed to co-operate with any requests made by the Committee.
- 8.2 The Committee is authorised by the Board, at the expense of the Company, to obtain external legal or other professional advice on any matters within its terms of reference.
- 8.3 The Committee shall have access to sufficient resources to carry out its duties, including access to the company secretariat for assistance as required.

## 9. **DUTIES**

- 9.1 To determine and agree with the Board the policy for the remuneration ("the **Policy**") (including benefits, pension arrangements and termination or other ad hoc payments) of the chair of the Board, the chief executive officer, the executive directors, and the senior management (meaning the Executive Team, including the Company Secretary) of the Company and ensure that the Directors' Remuneration Report is put to shareholders for approval at the AGM;
- 9.2 In determining the Policy for remuneration, to take into account all factors which it deems necessary (including all relevant legal and regulatory requirements, the provisions of the 2024 UK Corporate Governance Code (the "**Code**"), institutional shareholder guidelines in relation to directors' remuneration and associated guidance) the objective of the Policy being 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.

The Policy and remuneration practices should be designed to support strategy, promote the long-term sustainable success of the Company with Executive remuneration aligned to Company purpose and values, and be clearly linked to the successful delivery of the Company's long-term strategy;

- 9.3 To determine the Company's policy on the duration of contracts with executive directors, and notice periods and termination payments under executive directors' contracts, with a view to ensuring that any termination payments are fair to the individual and the Company, that failure is not rewarded and the duty to mitigate loss is fully recognised;
- 9.4 To consider and make recommendations in respect of any other terms of the service contracts of the executive directors, the duration of which shall not exceed one year's notice period and any proposed changes to these contracts, and to review the Company's standard form contract for executive directors from time to time;
- 9.5 Within the terms of the agreed framework or Policy to determine the total individual remuneration package of the Chair of the Board, each executive director, and the senior management of the Company, including, where appropriate, bonuses, incentive payments, share options, other share awards, pension arrangements and ad hoc payments;
- 9.6 In accordance with Provision 37 of the Code, to ensure that Directors contracts and/or other agreements or documents which cover director remuneration should include malus and clawback provisions that would enable the Company to recover and/or withhold sums or share awards, and specify the circumstances in which it would be appropriate to do so;
- 9.7 When determining pension contribution rates for executive directors, or payments in lieu, the Committee should ensure they are aligned with those available to the workforce;
- 9.8 To consider 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 directors close to retirement, when compared with workforce arrangements;
- 9.9 Having regard to the provisions of the Code, to advise on and determine all formulae and targets for performance-related schemes operated by the Company, the methods for assessing whether performance conditions are met and the eligibility of executive directors for annual bonuses and benefits under long-term incentive schemes and approve the total annual payments made under such schemes and, in each case, to exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances;
- 9.10 To review the design of all share incentive plans for approval by the Board and shareholders and, 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 the chief executive officer, the executive directors, and the senior management of the Company and the performance targets to be used;
- 9.11 To identify to the Board for its consideration and final determination any performance measures, performance targets and formulae which may be considered commercially sensitive for the Company;

- 9.12 When appropriate, to request the Board seek shareholder approval of all new long-term incentive schemes save in the circumstances permitted by the UK Listing Rules;
- 9.13 To operate, administer, review and make all decisions relating to all aspects of any share option scheme or incentive arrangement operated by or to be established by the Company, (subject always to the rules of that scheme and any applicable legal and regulatory requirements).
- 9.14 To develop a formal policy for in-employment and post-employment shareholding by executive directors (and any other individual as considered appropriate);
- 9.15 To liaise with the Nomination Committee to ensure that the remuneration of newly appointed executive directors and senior management is within the Company's overall Policy;
- 9.16 To consider any other matters relating to the remuneration of or terms of employment applicable to the executive directors, Chair of the Board and the senior management of the Company and referred to the Committee by the Board;
- 9.17 Any payments made in respect to the wider workforce (outside of the Executive Team) shall be carefully considered by the Committee when:
  - 9.17.1 any retention/incentive payments to a member of the wider workforce is greater than £100,000;
  - 9.17.2 any individual payments between £50,000 and £100,000 shall be reviewed in the next Committee meeting; and
  - 9.17.3 any approvals that are sought over email if payments are needed to be made outside of the usual meeting cycle and to give authority to the Secretary to make any minor amendments which may be necessary to reflect this decision;
- 9.18 When setting the Policy for directors, take account of workforce remuneration and related policies across the Company or Group and the alignment of incentives and rewards with culture, especially when determining annual salary increases;
- 9.19 To obtain reliable, up-to-date information about remuneration in other relevant companies;
- 9.20 To be aware of and oversee any major changes in Policy or employee benefit structures throughout the Group;
- 9.21 To review the ongoing appropriateness and relevance of the Policy for the Chair of the Board, the chief executive officer, the executive directors and the senior management of the Company;
- 9.22 To have regard, in the performance of the duties set out in this clause, to any applicable laws and regulations including, to the Code, the UK Listing Rules, the Disclosure and Transparency Rules, any published guidelines or recommendations regarding the remuneration of directors of listed companies and the formation and operation of share option schemes (in particular the guidelines published by the Financial Reporting Council, Investment Association and National Association of Pension Funds) and on

corporate performance on environmental, social and governance issues (in particular the guidelines published by the Association of British Insurers and the National Association of Pension Funds) which the Committee considers relevant or appropriate;

- 9.23 To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary. 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 at the expense of the Company but within any budgetary restraints imposed by the Board. The Committee shall exercise independent judgement when evaluating the advice of external third parties and when receiving views from executive directors and senior management;
- 9.24 In conjunction with the Board, to draft and approve the annual directors' remuneration report, having regard to the provisions of the Companies Act 2006, Listing Rules, the Code, the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 and The Companies (Miscellaneous Reporting) Regulations 2018, and ensure that all provisions regarding disclosure of remuneration are fulfilled;
- 9.25 To assist in the drafting of the section in the Company's annual report relating to the activities of the Committee in accordance with the Code and to liaise with the Board in relation to the same;
- 9.26 To agree the policy for authorising claims for expenses of all directors appointed to the Board;
- 9.27 To ensure that it is in a position to justify all of its actions and proposed courses of action;
- 9.28 In exercising its powers, to take into account the duties of directors under Chapter 2 of Part 10 of the Companies Act 2006 (the "**2006 Act**") including, in particular, section 172 of the 2006 Act, which requires a director to act in a way that a director considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole;
- 9.29 To promptly provide the Board with such information as may be necessary or desirable in the opinion of the Board to enable the Board to monitor its conduct in order that each member of the Board may fulfil their duties and responsibilities as a director;
- 9.30 At least once a year to review its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval, in accordance with the Code;
- 9.31 To ensure that these terms of reference are made available in accordance with the Code;
- 9.32 To make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed; and

- 9.33 To ensure that the Company maintains a dialogue with shareholders about the remuneration of executive directors and senior management and the work of the Committee.

## **10. EXCLUSIONS**

- 10.1 The terms of reference of the Committee do not encompass decisions to appoint, employ or dismiss executives or directors.
- 10.2 The remuneration of non-executive directors shall be a matter for the executive directors and the Chair of the Board (subject to the Articles). Where permitted by the Articles, the Board may, however, delegate this responsibility to a smaller sub-committee of executive directors, which may include the chief executive officer.

## **11. REPORTING TO SHAREHOLDERS**

- 11.1 The annual report shall include:
- 11.1.1 a description of the work of the Committee as required under the Code, the Companies (Miscellaneous Reporting) Regulations 2018 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008, including where an executive director serves as a non-executive director elsewhere, whether or not the director will retain such earnings and if so, what the remuneration is; and
  - 11.1.2 where remuneration consultants are used, details of the consultant and a statement of any other connection they have to the Company or individual directors.

## **12. ANNUAL GENERAL MEETING**

- 12.1 The Chair shall be available at the Annual General Meeting to answer questions arising from the directors' remuneration report and generally on remuneration principles and practice and the activities of the Committee. The Chair should also ensure that the Company maintains good contact with shareholders about remuneration in the same way as for other matters.

Date of approval  
December 2024

Date of next review  
December 2025