

**KINGFISHER PLC  
(the 'Company')**

**REMUNERATION COMMITTEE TERMS OF REFERENCE**

**1. Membership**

- 1.1. The Committee shall comprise at least three independent Non-Executive Directors of the Company. Appointments to the Committee shall be made by the Board, on the recommendation of the Nomination Committee and in consultation with the Chair of the Committee.
- 1.2. The Board shall appoint the Chair of the Committee who shall be an independent Non-Executive Director. Prior to appointment, the Chair of the Committee should have served on a Remuneration Committee for at least 12 months. In the absence of the Chair of the Committee, the remaining members present shall elect one of themselves to chair the meeting.
- 1.3. The Chair of the Board may be a member of the Committee if they were considered independent on appointment. The Chair of the Board shall not count towards the minimum of three members in section 1.1 and shall not be Chair of the Committee.
- 1.4. Only members of the Committee and members of the Board who are not Committee members have the right to attend Committee meetings. Other individuals and external advisors may be invited to attend all or part of any meeting at the invitation of the Committee.

**2. Secretary**

The Group Company Secretary or their designee shall be secretary to the Committee.

**3. Quorum**

- 3.1. The quorum shall be any two members. No member or individual shall be in attendance when their own individual remuneration or benefits are being considered.
- 3.2. Decisions of the Committee taken between meetings shall be passed with the approval of all members of the Committee, or by exception the Chair, provided that such decisions are ratified at the next scheduled Committee meeting.

**4. Frequency of meetings**

The Committee shall meet at least three times a year and at such other times as required.

**5. Notice of meetings**

- 5.1. Meetings of the Committee shall be called by the Chair of the Committee or the secretary at the request of the Chair of the Committee or 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 in advance of the meeting.
- 5.3. The secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to them.

**6. Minutes of meetings**

- 6.1. The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

- 6.2. Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and the Group Company Secretary unless, exceptionally, it would be inappropriate to do so.

## **7. Engagement with shareholders**

The Chair of the Committee should attend the annual general meeting to answer shareholder questions on the Committee's activities, and seek engagement with shareholders on significant matters related to the Committee's responsibilities.

## **8. Duties**

The Committee shall have regard to the UK Corporate Governance Code (the Code) as well as the UK Listing Rules (UKLR), Prospectus Regulation Rules (PRR) and Disclosure Guidance and Transparency Rules (DTR) and associated guidance, in carrying out the following duties:

- 8.1. Determine and recommend to the Board the policy for directors' remuneration (Remuneration Policy). For the avoidance of doubt, the Chair of the Board and the Executive Directors shall recommend the fees for the Senior Independent Director and Non-Executive Directors to the Board for approval within the limits set in the Company's Articles of Association.
- 8.2. determine the policy on remuneration for senior executives below Board level (being such persons as the Committee shall from time to time decide are within its remit).
- 8.3. Determine the total individual remuneration of the package of the Chair of the Board, Executive Directors, Senior Management<sup>1</sup> and any other senior executives as may be agreed by the Committee (except that no director or senior manager shall be involved in any decisions as to their own remuneration), including:
  - 8.3.1. base salary, bonuses and incentive payments;
  - 8.3.2. benefits, including pension and company car benefits;
  - 8.3.3. share options or other share awards; and
  - 8.3.4. payments on termination of employment (ensuring 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);

and to advise on the terms to be reflected in the relevant service contracts, deeds, acts and things that the Committee may consider necessary or desirable in connection with or in relation to any of the foregoing.

- 8.4. Approve the targets and outturn for any performance-related annual bonus and share incentive plans in respect of the members of the Group Executive.
- 8.5. Establish remuneration schemes that promote long-term shareholding by the Executive Directors to support alignment with long-term shareholder interests, with share awards subject to a total vesting and holding period of at least five years, and a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.
- 8.6. Design remuneration policies and practices to support strategy and promote the long-term sustainable success of the Company, with executive remuneration

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<sup>1</sup> The definition of 'senior management' is the Group Executive (excluding the Executive Directors), including the company secretary in accordance with the Code.

aligned to the Company's purpose and values, clearly linked to the successful delivery of the Company's long-term strategy. This may include but is not limited to the Company's long-term strategic goals, compatibility with the remuneration framework and benefit structures more generally across the Group and the views of the Group's employees and its stakeholders. The Committee shall also consider the Code requirements for clarity, simplicity, predictability, proportionality, and alignment to culture and the Company's risk policies and systems.

- 8.7. Design remuneration policies and practices that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances.
- 8.8. Review the on-going appropriateness and relevance of the Remuneration Policy and consult with significant shareholders and other stakeholders, as appropriate or other aspects of remuneration.
- 8.9. Review workforce remuneration, related policies, the output of any engagement, as appropriate, and the alignment of incentives and rewards with culture, taking these into account when determining the remuneration of the Executive Directors and Senior Management.
- 8.10. Oversee any major changes in remuneration and employee benefits structure throughout the Group.
- 8.11. Exercise the powers of the Board in relation to all-employee and long-term incentive share plan arrangements, to include:
  - 8.11.1. amending or varying such arrangements in accordance with such provisions as the Committee may deem appropriate unless shareholder approval is required in which case the Committee shall first recommend a proposal to the Board for approval;
  - 8.11.2. developing new plans and, where appropriate, ensuring they are put to shareholders for approval at the next annual general meeting;
  - 8.11.3. granting entitlements and options under the plans;
  - 8.11.4. monitoring and assessing any performance conditions applicable to any long-term incentive awards and ensure that performance conditions are aligned to the Company's purpose and values, and clearly linked to the successful delivery of the Company's long-term strategy and the enhancement of shareholder value;
  - 8.11.5. exercising independent judgement and discretion when authorising outcomes under all incentive arrangements, taking account of company and individual performance, and wider circumstances; and
  - 8.11.6. designing and invoking agreed safeguards, for example, clawback or withholding the payment of any sum or share award, to ensure that any performance-related payments reflect the Company's actual achievements and to protect against rewarding for failure.
- 8.12. Review the principal incentive plans and be aware of and advise on employee benefit structures operating across the Company and its subsidiaries and to be advised of any material amendments.
- 8.13. Keep abreast of external remuneration trends and market conditions through the receipt of reliable, up-to-date information about remuneration in other companies of comparable scale and complexity.
- 8.14. Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

- 8.15. Review pension arrangements and other similar employee benefits of the Company and its subsidiaries whether currently in force or to be adopted including the approval of any changes to the rules of such arrangements.
- 8.16. Agree the policy for travel and expenses for Executive Directors and members of the Group Executive.

## **9. Reporting responsibilities**

- 9.1. The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall report to the Board on workforce reward, incentives and conditions, and support the Board's monitoring of the alignment of company policies and practices with culture and strategy.
- 9.3. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for Board discussion where necessary.
- 9.4. The Committee shall ensure that the provisions regarding the public disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the Code, are fulfilled.
- 9.5. The Committee shall ensure the Remuneration Policy is put to shareholders for approval; (i) at the annual general meeting in any year in which there is a change to the policy; (ii) at least once every three years; and (iii) if majority shareholder approval was not achieved on the last submitted directors' remuneration report.
- 9.6. The Committee shall arrange for the production of a directors' remuneration report to be included in the Company's annual report, which should include the information on directors' remuneration required to be disclosed by the Companies Act 2006 (including regulations made thereunder), the Code, the UKLR and any other relevant statutory, regulatory or governance codes.
- 9.7. The Committee shall submit the directors' remuneration report for approval on an advisory basis by shareholders at the annual general meeting each year.
- 9.8. Subject to delegation of authority by the Board, the Committee shall engage in appropriate discussion as necessary with shareholders if 20 per cent. or more of votes have been cast by shareholders against a resolution to approve the directors' remuneration report or directors' remuneration policy at any annual general meeting or general meeting and agree with the Board any appropriate disclosure, including in the annual report.

## **10. Other matters**

The Committee shall:

- 10.1. investigate any matters within its terms of reference, as well as any matter referred to it by the Board for consideration, and to obtain, at the Company's expense, outside legal or other professional advice.
- 10.2. have access to sufficient resources in order to carry out its duties, including access to the Group Company Secretariat for advice and assistance as required.
- 10.3. May commission or purchase any reports, surveys, or information which it deems necessary at the expense of the Company but within any budgetary restraints by the Board.
- 10.4. consider the provisions of the Code and all applicable laws and regulations, including but not limited to the Companies Act 2006 and the requirements of the

UKLR, PRR and DTR and appropriate Institutional Investor guidance such as that published by the Investment Association.

- 10.5. ensure periodic review of its own membership and performance and, at least annually, review its constitution and terms of reference and recommend any changes it considers necessary to the Board for approval.
- 10.6. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 10.7. work and liaise as necessary with other Board Committees.

APPROVED BY THE BOARD OF DIRECTORS: 25 OCTOBER 2024