



**COUNTRYWIDE PLC REMUNERATION COMMITTEE
TERMS OF REFERENCE**



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The following are the terms of reference of the Remuneration Committee (the “**Remuneration Committee**”) of Countrywide plc (the “**Company**”) and its subsidiaries in the Countrywide Group (the “**Group**”). The Remuneration Committee has been delegated responsibility from the board of directors (the “**Board**”) for the determination of the terms and conditions of employment, remuneration and benefits of each of the chairman, executive directors, members of the executive and the company secretary, (together the “**Senior Executives**”). The Remuneration Committee also has delegated responsibility from the Board for the determination of all aspects of share-based incentive arrangements, for ensuring that workforce policies are aligned with the Company’s values and success and for monitoring organisational culture and for reporting back to the Board to ensure appropriate action is taken.

1. Membership

- 1.1 The Remuneration Committee shall be appointed by the Board and shall comprise at least three members.
- 1.2 At least two members of the Remuneration Committee shall be independent non-executive directors. In addition, the chairman of the Company may be a member, but not chair, of the Remuneration Committee, provided he or she was independent on appointment and not serving as an executive chairman.
- 1.3 The Board shall appoint the chairman of the Remuneration Committee, who shall also be an independent non-executive director, (the “**Chairman**”) who will normally have served on a remuneration committee for at least 12 months. In the absence of the Chairman, the remaining members present shall elect one of their number to chair the meeting who would qualify under these terms of reference to be appointed to that position.
- 1.4 Only Remuneration Committee members have the right to attend Remuneration Committee meetings. However, the Remuneration Committee may invite any directors or other executives of the Company, including the Group Chief Executive Officer or any external professional advisors to attend all or part of any meetings as and when appropriate. No individual will attend when their own remuneration is under discussion.
- 1.5 The company secretary is the secretary of the Remuneration Committee (the “**Secretary**”) but shall not be present when their own remuneration is under discussion.

2. Quorum

- 2.1 The quorum necessary for the transaction of business shall be three members of the Remuneration Committee.
- 2.2 A duly convened meeting of the Remuneration Committee at which a quorum is present shall be competent to exercise any or all of the authorities, powers and discretions vested in or exercisable by the Remuneration Committee.

3. Frequency of meetings

- 3.1 The Remuneration Committee meets at least twice a year and at such other times as otherwise required.

4. Notice of meetings

- 4.1 Meetings of the Remuneration Committee shall be summoned by the Secretary at the request of any of its members.
- 4.2 Unless otherwise agreed, notice of each meeting confirming the venue, date and time, together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Remuneration Committee, and to other attendees as appropriate, no later than five working days before the date of the meeting. The Chairman shall have the sole discretion to reduce the above notice period to whatever the Chairman considers appropriate in the circumstances.

5. Minutes of meetings

- 5.1 The Secretary shall minute the proceedings and decisions of all Remuneration Committee meetings, including the names of those present and in attendance.
- 5.2 The members of the Remuneration Committee shall, at the beginning of each meeting, declare the existence of any conflicts of interest arising and the Secretary shall minute them accordingly.
- 5.3 Draft minutes of Remuneration Committee meetings shall be circulated promptly to the Chairman and, once agreed, to all members of the Remuneration Committee and to all other members of the board unless, in the opinion of the committee chairman, it would be inappropriate to do so.

6. Annual general meeting

- 6.1 The Remuneration Committee Chairman shall attend the annual general meeting of the Company and shall be prepared to respond to any shareholder questions on the Remuneration Committee's activities and responsibilities.

7. Responsibilities

Remit

- 7.1 The Remuneration Committee shall determine and agree with the Board the framework or broad policy for the remuneration of the Chairman, the Executive Directors, the Executive Committee, the Company Secretary and any other executives as it so decides ("Senior Executives"). The remuneration of non-executive directors excluding the Chairman of the board shall be a matter for the chairman of the Board and the executive directors subject to the constraints contained in the Company's Articles of Association. No director or manager shall be involved in any decisions as to their own remuneration.
- 7.2 The Remuneration Committee will determine the policy for and scope of all aspects of remuneration including but not limited to service agreements, recruitment arrangements and termination payments for the Senior Executives. The Remuneration Committee shall ensure that contractual terms on termination are observed, that failure is not rewarded and that the duty to mitigate loss is taken into account recognised.
- 7.3 The Remuneration Committee will agree the policy for authorising claims for expenses from the Directors.

Duties

- 7.4 The Remuneration Committee shall:
- (A) determine on an annual basis the total individual remuneration package of each Senior Executive, including salary, incentive payments (including annual bonus and share-based or cash-based long term incentives), pension and other benefits in kind, share ownership policies and, in respect of the Executive Directors, ensure that decisions are in accordance with the terms of the agreed, formally approved Directors' Remuneration Policy,;
 - (B) approve the design of, and determine targets for, any performance-related pay schemes operated by the Company for Senior Executives, including the application of relevant performance criteria and working with the Group Audit & Risk Committee as necessary;
 - (C) determine, each year, whether awards will be made under any of the Company's share plans and, if so, the overall amount of such awards, the individual award to Senior Executives and any performance measure and targets to be used. Such determination shall take account of dilution limits and headroom capacity within the relevant share incentive plans and the financial impact;
 - (D) determine the contractual terms of each Senior Executive;
 - (E) review the design and implementation of all share plans for approval by the Board and, where required, shareholders;
 - (F) review and note the remuneration of senior employees within the risk and compliance functions annually;

- (G) review the remuneration arrangements of all the Company's employees, any major changes and the alignment of pay with the culture and values of the Company;
- (H) review the remuneration of employees who have earned £250,000 or more during the previous financial year;
- (I) [have regard to the views of shareholders and stakeholders including employees when determining the remuneration of Senior Executives];
- (J) [ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success;]
- (K) [assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the company's purpose, values and strategy, it should seek assurance that management has taken corrective action;]
- (L) engage with shareholders if, 20 per cent. or more of votes have been cast by shareholders against a resolution to approve the annual remuneration report, a directors' remuneration policy or any other pay resolution and ensure that, no later than six months after the annual general meeting, a summary of the views of shareholders received and the actions taken has been published;
- (M) obtain reliable, up-to-date information about remuneration in other companies and market practice generally. The Remuneration Committee shall have full authority (within any budget restrictions imposed by the Board) to commission any reports or surveys which it deems necessary;
- (N) review its constitution and terms of reference on an annual basis and recommend any changes it considers necessary to the Board for approval;
- (O) make available the Remuneration Committee's terms of reference on the company's website;
- (P) [ensure that the Company's annual reports are made available on the website for a period of at least 10 years]; and
- (Q) agree the policy for approving claims for expenses from directors.

7.5 In determining remuneration packages and arrangements, the Remuneration Committee shall:

- (A) give due consideration to relevant legal and regulatory requirements including but not limited to:
 - (i) the provisions of the UK Corporate Governance Code;
 - (ii) the requirements of the UK Listing Authority's Listing Rules and associated guidance; and

- (iii) the Financial Conduct Authority's Remuneration Code, albeit recognising that the Company is not bound by this; and
 - (B) take into account remuneration trends across the Company, including the differential between the total remuneration at the highest and lowest groups within the Company.
- 7.6 In determining remuneration packages and arrangements, including the performance criteria for performance-related plans, the Remuneration Committee shall have particular regard to any concerns raised by the Board on the implications of the remuneration policy for risk and risk management. The objective of such policy shall be to ensure that the Senior Executives are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.
- 7.7 On request, the Remuneration Committee shall also liaise with the Nomination Committee to ensure that the remuneration of newly-appointed Senior Executives is within the Company's overall policy.
- 7.8 The Remuneration Committee will review succession planning and for senior management up to and including the Executive Committee excluding the Executive Directors.
- 7.9 The Remuneration Committee will liaise with the Nomination Committee on succession planning for the Chairman of the Board, Executive Directors and Non-Executive Directors level appointments. On request, the Remuneration Committee shall also liaise with the Nomination Committee to and will ensure that the remuneration of newly-appointed Senior Executive Directors, and Non-Executive Directors including the Chairman of the Board is within the approved Directors' remuneration policy.

8. Reporting responsibilities

- 8.1 The Remuneration Committee shall produce an annual report describing the Company's remuneration policy, practices, attendance and frequency of the Remuneration Committee meetings to be included in the Company's annual report and accounts and ensure each year that it is put to shareholders for approval at the annual general meeting in accordance with the requirements of The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended from time to time.

9. Other matters

- 9.1 The Remuneration Committee shall have access to sufficient resources in order to carry out its duties, including access to the Group's Secretariat and other Group functions for assistance as required. Accordingly, the Remuneration Committee is authorised by the Board to:

- (A) set the terms of reference for any remuneration consultants at the Company's expense;
 - (B) select, appoint, retain and terminate any remuneration consultants to be used to assist the evaluation of any Senior Executives' remuneration, including sole authority to approve the remuneration consultant's fees and other retention terms. Where remuneration consultants are appointed a statement shall be made available as to whether they have any other connection with the Company; and
 - (C) obtain, at the Company's expense, independent legal or other professional advice on any matters within its terms of reference.
- 9.2 The Remuneration Committee shall 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.
- 9.3 The Remuneration Committee shall arrange for periodic reviews of its performance to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Bard for approval.

These terms of reference were reviewed and approved by the Board on 24 July 2019.