

## STOCK SPIRITS GROUP PLC

### REMUNERATION COMMITTEE TERMS OF REFERENCE

The following are the terms of reference of the Remuneration Committee (the “**Remuneration Committee**”) of **Stock Spirits Group PLC** (the “**Company**”) and its subsidiaries (together, the “**Group**”). The Remuneration Committee has been delegated responsibility from the board of directors of the Company (the “**Board**”) for the determination of the terms and conditions of employment, remuneration and benefits of each of the Chair of the Board, executive directors, members of the executive (Group Leadership Team 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.

#### 1. Membership

- 1.1 The Remuneration Committee shall be appointed by the Board and shall comprise at least three members.
- 1.2 All members of the Remuneration Committee shall be independent non-executive directors. In addition, the Chair of the Company may be a member (if he/she was considered independent on appointment as Chair), but not Chair, of the Remuneration Committee.
- 1.3 The Board shall appoint the Chair of the Remuneration Committee, who shall also be an independent non-executive director (the “**Chair**”), and determine the period for which they hold office. Normally the Chair shall have at least 12 months experience of serving on a Remuneration Committee prior to taking up the role of Chair. In the absence of the Chair, 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 individuals of the Company, including the Chief Executive Officer or any external professional advisors to attend all or part of any meetings as and when appropriate. An executive will not attend when their own remuneration is under discussion.
- 1.5 Appointments to the Remuneration Committee shall be for a period of up to three years, which are extendable by no more than two additional three-year periods, so long as the director continues to be independent and still meets the criteria for membership of the Remuneration Committee.
- 1.6 Members of the Remuneration Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chair.
- 1.7 The Company Secretary is the secretary of the Remuneration Committee (the “**Secretary**”).

- 1.8 If not already a member of the Remuneration Committee, the Chair of the Audit Committee shall be required to attend at least one meeting of the Remuneration Committee per year.

## **2. Quorum**

- 2.1 The quorum necessary for the transaction of business shall be two members of the Remuneration Committee (both of whom must be independent non-executive directors).
- 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 shall meet at least twice a year and at such other times as otherwise required. Meetings can be convened by telephone, video conference or other appropriate communication equipment as necessary.

## **4. Notice of meetings**

- 4.1 Meetings of the Remuneration Committee shall be called by the Secretary at the request of the committee Chair or 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 Chair shall have the sole discretion to reduce the above notice period to whatever the Chair considers appropriate in the circumstances.
- 4.3 The Secretary shall ensure that the Remuneration Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

## **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 Draft minutes of Remuneration Committee meetings shall be circulated promptly to the Chair and, once agreed, to all members of the Remuneration Committee and, unless it would be inappropriate to do so, to all other members of the Board.

## **6. Engagement with shareholders**

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

responsibilities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the committee's areas of responsibility.

## 7. Responsibilities

### Policy

- 7.1 The Remuneration Committee shall determine and agree with the Board the framework or broad policy for directors' remuneration and setting remuneration for the company's Chair, executive directors and senior executives including the company secretary, in accordance with the Principles and Provisions of the Code. The remuneration of non-executive directors shall be a matter for the Chair 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 Establish remuneration schemes that promote long-term shareholding by executive directors; that support alignment with long-term shareholder interests, with share awards subject to a total vesting and holding period of at least five years and develop a formal policy for post-employment shareholding requirements, encompassing both vested and unvested shares.
- 7.3 Design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to company purpose and values, clearly linked to the successful delivery of the company's long-term strategy, and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances.
- 7.4 In determining the policy, the Remuneration Committee should take into account all factors which it deems necessary which shall include, but not be limited to, the principles of clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.
- 7.5 The Committee will review the ongoing appropriateness and relevance of the remuneration policy.

### Other

- 7.6 The Remuneration Committee shall:
- (A) within the terms of the agreed policy determine on an annual basis the total individual remuneration package of each Executive director, the company Chair and senior executives, including salary, incentive payments (including annual bonus and long term incentives), pension and other benefits in kind, and having regard to, inter alia:
- (i) review the wider workforce remuneration and related policies; and
  - (ii) the alignment of incentives and rewards with culture across the Group;

The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of company and individual performance and wider circumstances.

- (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;
  - (C) determine, each year, whether awards will be made under the Company's share-based incentive plans and, if so, the overall amount of such awards, the individual award to Senior Executives and the performance targets to be used. Such determination shall take account of dilution limits and headroom capacity within the relevant share-based incentive plans and the financial impact;
  - (D) review the design and implementation of all share-based incentive plans for approval by the Board and, where required, shareholders;
  - (E) 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;
  - (F) review its terms of reference on an annual basis to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 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.

## **8. Reporting responsibilities**

- 8.1 The Chair shall report to the Board on the Remuneration Committee's proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2 The Remuneration 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 when necessary.
- 8.3 The Remuneration Committee shall produce an annual report describing, amongst other things, 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. This should be in line with the requirements of the UK Corporate Governance Code.

8.4 The Remuneration Committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in applicable legislation, the Listing Rules and the Code, are fulfilled and produce a 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 AGM. If the Remuneration 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 or individual directors.

8.5 Through the Chair of the Board, or designated non-executive director, and collaboration with other board committees, ensure that the Company maintains a dialogue with the workforce and its principal shareholders to ensure the committee understands the views of the company's stakeholders in relation to issues relating to remuneration and that the workforce understands the alignment between executive director and the broader workforce remuneration.

## **9. Other matters**

9.1 The Remuneration Committee shall have access to sufficient resources in order to carry out its duties, including access to 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) Have full authority to 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 and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company. The committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants; and
- (C) obtain, at the Company's expense, independent legal or other professional advice on any matters within its terms of reference.
- (D) Work and liaise as necessary with other board committees, ensuring the interaction between committees and with the board is reviewed regularly.

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 Board for approval.

9.4 The Remuneration Committee must give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of

listed/non listed companies and formation and operation of share schemes including but not limited to the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules as well as guidelines published by institutional investor representative bodies and any other applicable rules, as appropriate.

These terms of reference were reviewed and approved by the Board on 28 June 2021