

Countryside Properties PLC

(the “Company”)

Terms of Reference: Remuneration Committee

As approved by the Board of Directors of the Company on 23 July 2020

References to the “**Committee**” shall mean the Remuneration Committee.

References to the “**Board**” shall mean the board of directors of the Company.

References to the “**Committee Chair**” shall mean the chair of the Committee.

References to the “**Committee Secretary**” shall mean the secretary of the Committee.

References to the “**Code**” shall mean the UK Corporate Governance Code, as amended.

References to “**workforce**” shall mean individuals employed under contracts of employment or service, or other arrangements to do work or provide services personally.

References to “**senior management**” shall mean the executive committee, the company secretary, and any other senior executives of the Company designated by the Board as “senior management” for this purpose.

1 Membership

1.1 The Committee shall comprise at least three members, all of whom shall be independent non-executive directors. In addition, the Chair of the Board may serve on the Committee if considered independent on appointment as chair.

1.2 Members of the Committee shall be appointed by the Board, on the recommendation of the nomination committee in consultation with the Committee Chair. The chair of the Board shall ensure the composition of the Committee is periodically reviewed by the nomination committee.

1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as directors of the Board, executives of the Company (including the chief executive), and other external advisers may be invited by the Committee to attend for all or part of any meeting, as and when appropriate and necessary. An individual may not attend when their own remuneration is under discussion.

1.4 Appointments to the Committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods, subject to the annual re-election of directors and provided that members (other than the chair of the Board, if he or she is a member of the Committee) continue to be independent.

1.5 The Board shall appoint the Committee Chair who should be an independent non-executive director with at least 12 months’ experience on a remuneration committee and determine the period for which they shall hold office. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves who would qualify under these terms of reference (save that the experience requirement may be disregarded if no remaining member has such experience) to be appointed to that position to chair the meeting. The chair of the Board cannot chair the Committee.

2 Secretary

2.1 The company secretary or his or her nominee shall act as the Committee Secretary and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3 Quorum

3.1 The quorum necessary for the transaction of business shall be two members of the Committee.

- 3.2** A duly convened meeting of the 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 Committee.

4 Frequency of Meetings

- 4.1** The Committee shall meet at least three times a year and otherwise as required.

5 Notice of Meetings

- 5.1** Meetings of the Committee shall be called by the Committee Secretary at the request of the Committee Chair.

- 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, any other person required to attend and all other non-executive directors, no later than four working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6 Minutes of Meetings

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

- 6.2** The members of the Committee shall, at the beginning of each meeting, declare the existence of any conflicts of interest arising and the Committee Secretary shall minute them accordingly.

- 6.3** Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and the company secretary unless it would be inappropriate to do so.

7 Annual General Meeting

- 7.1** The Committee Chair should attend the annual general meeting of the Company to answer any shareholder questions on the Committee's activities. If requested to do so by the chair of the Board, the Committee Chair should make a statement to the annual general meeting on the activities and achievements of the Committee over the year.

8 Responsibilities

- 8.1** The Committee should have the responsibilities detailed below for the Company, major subsidiary undertakings and the group as a whole, as appropriate. Although the Committee may receive input and advice from internal management, external professional advisors and/or external remuneration consultants, the Committee should exercise independent judgement when carrying out its duties, having regard to their directors' duties and the Company's wider circumstances.

The Committee shall:

- 8.2** have responsibility for proposing the terms of the directors' remuneration policy for the chair of the Board and executive directors for approval by shareholders, where required or desirable;
- 8.3** review the ongoing appropriateness and relevance of the directors' remuneration policy;
- 8.4** have responsibility for setting and authorising all remuneration arrangements and payments for the chair of the Board, the executive directors and senior management. This includes (but is not limited to):

- 8.4.1 the terms relating to remuneration arrangements / payments (including on cessation of employment or loss of office) set out in any service agreement, letter of appointment, offer letter or similar document, working with the nomination committee as required;
- 8.4.2 salary or salary increases;
- 8.4.3 bonus, performance-related incentive and/or share incentive grants, awards or outcomes (including performance measures, targets and/or the maximum value of individual grants/awards);
- 8.4.4 benefits packages;
- 8.4.5 pension rights;
- 8.4.6 requirements or arrangements regarding shareholdings (either during or post-employment); and
- 8.4.7 arrangements or payments in connection with the individual's cessation of office or employment (including the terms of settlement agreements or similar documents).

No director or member of senior management shall be involved in any decisions as to their own remuneration;

- 8.5 when determining the proposed directors' remuneration policy under clause 8.2 or arrangements / payments under clause 8.4, take into account all factors which it deems necessary which may include:
 - 8.5.1 relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance;
 - 8.5.2 alignment with the Company's purpose, values and strategy;
 - 8.5.3 the Company's need to attract, retain and motivate directors and senior management of the quality required to run the Company successfully in a way that supports Company strategy and promotes long-term success without paying more than is necessary;
 - 8.5.4 the views of shareholders and other stakeholders;
 - 8.5.5 the risk appetite of the Company (including in respect of reputational and behavioural risk); and
 - 8.5.6 the principles set out in the Code;
- 8.6 obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity;
- 8.7 approve the design of and where relevant approve the total aggregate payments that may be made under any material bonus or performance-related incentive arrangement each year;
- 8.8 review the design of all share incentive plans (including any "all employee" plans) for approval/adoption by the Board and/or the Company's shareholders (and in doing so ensure the Committee has appropriate contractual discretions in place that permit the Committee to use discretion to override formulaic outcomes). For any such plans, provided the necessary approvals have been obtained, in respect of each and every proposed award to executive directors and/or senior management, determine the terms and maximum value of individual awards (inclusive of any performance measures and targets to be used);
- 8.9 ensure remuneration schemes promote alignment with long-term shareholder interests by (where appropriate) adopting shareholding policies that apply during and after employment and malus and clawback policies;

- 8.10** ensure that contractual terms on termination are fair to the individual and the Company and reflect the principles that poor performance should not be rewarded and departing directors should be obliged to mitigate loss;
- 8.11** oversee any major changes in employee benefits structures throughout the Company or group;
- 8.12** review material remuneration-related policies applicable to the workforce to ensure:
 - 8.12.1** the Committee is familiar with their structure and terms; and
 - 8.12.2** the Committee is satisfied they are aligned to the Company's purpose, values and strategy;
- 8.13** agree the policy for authorising claims for expenses from the directors;
- 8.14** review and approve any disclosure the Company or group is required to make in respect of pay gaps or disparity (such as under the UK's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017); and
- 8.15** work and liaise as necessary with other Board committees including to ensure the Committee understands the views of the Company's stakeholders.

9 Reporting Responsibilities

- 9.1** The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2** The Committee shall produce an annual report describing, amongst other things, Company remuneration policy and practices and details of the attendance at and frequency of meetings of the Committee (such report 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.
- 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.
- 9.4** The Committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013) and the Code, are fulfilled and produce a report of the Company's directors' 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 Committee has appointed remuneration consultants, the annual report of the Company's directors' remuneration policy and practice should identify such consultants and state whether they have any other connection with the Company.
- 9.5** The Committee Chair, in liaison with the chair of the Board, shall ensure that the Company maintains dialogue as required with its principal shareholders in order to ensure the Company understands their views on issues relating to remuneration and any actions taken by the Company to respond to such views.
- 9.6** Through the chair of the Board, the Committee Chair shall ensure that the Company maintains dialogue as required with its workforce in order to ensure the workforce understands the alignment between executive director remuneration and the Company's broader approach to workforce remuneration.

10 Other matters

The Committee shall:

- 10.1** have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 10.2** 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;
- 10.3** give due consideration to laws, regulations, including the general duties of directors set out in the Companies Act 2006, 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, the EU Market Abuse Regulation (as amended and incorporated into UK law), any successor act or regulation to the EU Market Abuse Regulation implemented in the UK, as well as guidelines published by the Investment Association, the ISS and the Pensions and Lifetime Savings Association and any other applicable rules, as appropriate;
- 10.4** arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 10.5** make publicly available its terms of reference explaining clearly the role of the Committee and the authority delegated to it by the Board.

11 Authorities

- 11.1** The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice, including consultancy, on any matters within its terms of reference.
- 11.2** The Committee is authorised by the Board to appoint, at the Company's expense (but within any budgetary restraints imposed by the Board), external remuneration consultants to advise the Committee. The Committee is exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and evaluating their performance.
- 11.3** The Committee is authorised by the Board to, at the Company's expense (but within any budgetary restraints imposed by the Board), obtain, commission or purchase any reports, surveys or information which it deems necessary to assist it to fulfil its duties.
- 11.4** To facilitate its operational effectiveness, the Committee is authorised by the Board to delegate authorities to the Committee Chair, the Chief Executive or the Group Human Resources Director, in accordance with the relevant policy.

12 Non-executive directors' pay

The Board itself, or, where required by the Articles of Association, the shareholders, shall set the approach to remuneration for the non-executive directors within any limits set in the Articles of Association, including authorising individual payments.

The Board itself shall have responsibility for proposing the terms of the directors' remuneration policy for non-executive directors for approval by shareholders, where required or desirable, within the limits set in the Articles of Association.