

Uniphar PLC – Remuneration Committee Terms of Reference

The board of Uniphar PLC (the “Board”) hereby constitutes and establishes a Remuneration Committee with authority, responsibility, and specific duties as described below.

1.0 Membership

The committee shall be appointed by the Board and comprise of at least three directors. The committee should consist of at least two independent non-executive directors.¹

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 director remains independent.

The chairperson of the Board may also serve on the committee as an additional member if he or she was considered independent on appointment as chairperson. Members of the committee shall be appointed by the Board, on the recommendation of the nomination committee and in consultation with the chairperson of the remuneration committee.

Chairperson.

The committee Chairperson shall be appointed by the Board and shall be an independent non-executive director. The chairperson of the Board shall not be chairperson of the committee.

The 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.

The company secretary shall act as the secretary of the committee 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.

2.0 Responsibility

The committee is responsible for reviewing the remuneration of the CEO and executive directors. The committee is authorised to receive advice from leading independent firms of compensation and benefits consultants when necessary and the Chief Executive is fully consulted about remuneration proposals. The committee should also be responsible for appointing remuneration consultants.

Its principal duties and activities are:

- to determine the Group’s policy on executive remuneration;
- to determine the total individual remuneration of the executive Directors;
- to review the suitability of performance measurement criteria for the Board of Management team;
- to review the notice periods for executive Director employment contracts;

¹ This should transition to all members being INEDs once the board composition allows for this.

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- to determine compensation arrangements for early termination of employment contracts;
- to administer share option schemes for executive Directors and Board of Management;
- to review performance against KPIs of executive directors for the purposes of determining annual bonus entitlements and recommend pay out levels to the Board for approval.

3.0 Meetings

The committee should meet at least once per year. Additional meetings should be held as the work of the committee demands.

Meetings of the committee shall be called by the secretary of the committee at the request of the committee chairperson.

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 three 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.

4.0 Attendance

Normally only members of the committee have the right to attend committee meetings. However, other individuals such as the Chief Executive, Company Secretary, the head of Human Resources and external advisors may be invited to attend for all or part of any meeting as and when appropriate.

5.0 Quorum

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

Directors must be present in person.

Any member of a committee may participate in a meeting conducted wholly or partly by telephonic means whereby the persons participating in the meeting can hear each other speak (and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting).

6.0 Resolution

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No resolution passed at any meeting shall be deemed passed unless a simple majority of the committee present and voting at such meeting shall have voted in favor of such resolution. Where there is an equality of votes, the chairperson of the meeting shall have a second or casting vote.

7.0 Minutes

Minutes of each meeting should reflect information presented, decisions taken and action items. Minutes should reflect a record of attendance at the meeting. Minutes should also reflect the agenda.

Draft minutes of each Committee meeting are to be prepared and sent to the committee Chairperson within 7 calendar days of the meeting.

Approval of minutes should be recorded and signed by the Chairperson at the subsequent meeting. The Chairperson of the Remuneration Committee shall report to the Board at the next Board meeting on the activities of the Committee and minutes circulated to the Board thereafter.

The secretary shall be responsible for keeping minutes of all meetings.

8.0 Specific Duties

The committee shall:

- 8.1 Have responsibility for setting the remuneration policy for all executive directors and the company's chairperson, including pension rights and any compensation payments. The Board itself or, where required by the Articles of Association, the shareholders should determine the remuneration of the non-executive directors within the limits set in the Articles of Association. No director or senior manager shall be involved in any decisions as to their own remuneration.
- 8.2 Recommend and monitor the structure of remuneration for senior management.
- 8.3 In determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is appropriate, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the company and alignment to the company's long strategic term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the company.

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- 8.4 Within the context of private sector benchmarks and relevant public sector pay policy ensure that the Company's senior executives are fairly rewarded for their individual contributions to the Company's overall performance. When setting remuneration policy for directors, review and have regard to pay and employment conditions across the company or group, especially when determining annual salary increases.
- 8.5 Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. 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 at the expense of the company but within any budgetary restraints imposed by the Board.
- 8.6 Demonstrate to all the stakeholders in the company, that the remuneration of the executive directors of the company is set by a committee of board members who have no personal interest in the outcome of their decisions and who will give due regard to the interests of the financial and commercial health of the company.
- 8.7 Within the terms of the agreed policy and in consultation with the chairperson and/or chief executive, as appropriate, determine the total individual remuneration package of each executive director, the company chairperson and other designated senior executives including bonuses, incentive payments and share options or other share awards.
- 8.8 Review the ongoing appropriateness and relevance of the remuneration policy.
- 8.9 Determine targets for any performance-related pay schemes operated by the company.
- 8.10 Ensure that contractual terms in termination, and any payments made, are fair to the individual and the company.
- 8.11 Be aware of and advise on any major changes in employee benefits structures throughout the company or group.
- 8.12 Agree the policy for authorising claims for expenses from the chief executive and chairperson.

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- 8.13 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee.
- 8.14 Review personal objectives of CEO and his direct reports.
- 8.15 Review the design of all share incentive plans for approval by the board and shareholders. 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 executive directors, company secretary and other designated senior executives and the performance targets to be used.
- 8.16 Determine the policy for, and scope of, pension arrangements for each executive director.
- 8.17 Agree the policy for authorising claims for expenses from the directors.
- 8.18 Work and liaise as necessary with all other Board committees.

9. Reporting

- 9.1 The committee shall ensure that provisions regarding disclosure of remuneration, including pensions, as set out in the Companies Act and the codes are complied with.
- 9.2 The committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 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 Through the chairperson of the board, ensure that the company maintains contact as required with its principal shareholders about remuneration.

The frequency of and attendance of members at Committee meetings should be disclosed in the annual report.

10.0 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;

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- 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 and regulations, the provisions of any Corporate Governance Code adopted by the Company from time to time, and the requirements of any listing rules, any market abuse, prospectus and disclosure and transparency rules 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.