

**REMUNERATION
COMMITTEE**
("the Committee")

TERMS OF REFERENCE

1. Constitution

- 1.1 The Committee is established by the Board of Directors of the Company ("Board") and has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.

2. Purpose

- 2.1 The role of the Committee is to review, approve and monitor the implementation of the remuneration policy and framework of the Group.

3. Membership

- 3.1 The Committee shall comprise of a at least three members, all of whom should be independent Non-Executive Directors. The Chair of the Board may be a member of the Committee if he or she was considered independent on appointment as Chair of the Board, but shall not chair the Committee.
- 3.2 Appointments to the Committee are made by the Board, on the recommendation of the Nomination Committee and in consultation with the Chair of the Remuneration Committee, and shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members (other than the Chair of the Board if he is a member) continue to be independent.
- 3.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate.
- 3.4 The Board shall appoint the Chair of the Committee who shall be an independent Non-Executive Director who should have served on a remuneration committee for at least 12 months. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present at a meeting shall elect one of their number present to chair the meeting. The Chair of the Board shall not be Chair of the Committee.

4. Secretary

- 4.1 The Company Secretary, or his or her nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues

5. Quorum

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

6. Frequency of Meetings

6.1 The Committee shall meet at least two times a year and additionally as and when required.

7. Notice of Meetings

7.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee chairman or any of its members.

7.2 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 and any other person required to attend no later than five 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. Meetings may be called at shorter notice than five working days provided all Committee members agree.

8. Minutes of Meetings

8.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

8.2 Minutes of Committee meetings shall be agreed with the Committee Chair and circulated to all members of the Committee.

8.3 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

9. Engagement with Shareholders

9.1 The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

10. Duties

The Committee shall carry out the following duties for the Company and its subsidiaries, including CMC Markets UK plc, (the "Group") as appropriate:

10.1 Remuneration Policy

10.1.1 Determine the policy for Directors' remuneration and set the remuneration of the Company's Chair, Executive Directors and senior management in accordance with the Principles of the UK Corporate Governance Code ("the Code").

10.1.2 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.

10.1.3 Ensure the remuneration policies and practices are compatible with the Group's risk appetite and with the assistance of the Group Risk Committee ensure that the risks associated are adequately monitored and controlled.

- 10.1.4 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 a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.
- 10.1.5 When determining executive director remuneration policy and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.
- 10.1.6 No Director or senior manager shall be involved in any decisions as to their own remuneration outcome. The Board as a whole determines the fees of the Non-Executive Directors within the limits set out under the Company's Articles of Association.
- 10.1.7 In determining remuneration policy, take into account all other 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 necessary, having regard to views of shareholders, investors, and other stakeholders as well as the wider public interest.
- 10.1.8 Review workforce remuneration and related policies.
- 10.1.9 Review the on-going appropriateness and relevance of the remuneration policy.

10.2 **Remuneration Implementation**

10.2.1 Individual remuneration arrangements

- (i) Within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive Officer, as appropriate, determine the total individual remuneration package of each Executive Director, the Chair of the Board, senior management (including the Company Secretary), including salary, bonuses, incentive payments, and share options or other share awards.
- (ii) 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.

10.2.2 Material Risk Takers /Code Staff

- (i) Agree the criteria and process for the identification of Material Risk Takers for the purposes of the relevant Financial Conduct Authority Remuneration Codes and any other remuneration regulations as appropriate and periodically review a list of those Material Risk Takers.
- (ii) Oversee and review periodically for adequacy and effectiveness the Group's remuneration framework, remuneration philosophy, workforce policies and practices as they relate to employees below the executive director and senior management level (the Group Remuneration Policy). This includes both fixed and any material variable components and/or schemes which may have the effect of creating inappropriate incentives resulting in the risk of harm, and any material change to the remuneration of Code Staff. The Group Remuneration Policy should be taken into account when

setting the policy for director remuneration.

- (iii) The Committee will invite input from the Group Head of Human Resources when reviewing the Group Remuneration Policy and has authority to request reports and analysis to provide relevant insight on remuneration arrangements below senior management and for the Group as a whole. Such reports and analysis will include but are not limited to, reports and metrics on fair pay, diversity and inclusion, incentive arrangements, total pay opportunities and bonus pay-outs for the wider workforce.

10.2.3 Short and long term incentive schemes

- (i) Review the design of all share incentive plans for approval by the Board and, where required, 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 for Executive Directors and senior managers, and the performance targets to be used.
- (ii) Consider and approve the size of the annual bonus pool, taking into account the capital position of the Company.

10.2.4 Contractual terms

- (i) Have full oversight of and approve contractual terms for Executive Directors and all members of the senior management team on termination, and ensure that 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.
- (ii) Approve service agreements and all material amendments thereto for the Executive Directors and members of the senior management team.

10.2.5 Advisers

- (i) 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. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice or remuneration consultants.

11. Reporting responsibilities

- 11.1 The Committee Chair shall report to the Board on its proceedings after each meeting on the nature and content of its discussion, recommendations and actions to be taken
- 11.2 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 when necessary.
- 11.3 The Committee shall provide a description of its work in the annual report in line with the requirements of the Code.
- 11.4 The Committee shall also ensure that provisions regarding disclosure of information as set out in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the Code are fulfilled, and that a report on the Directors' remuneration policy and practices is included in the Company's annual report and put to shareholders for approval at the AGM as necessary.

11.5 If the Committee has appointed remuneration consultants, the consultant should be identified in the annual report alongside a statement about any other connection it has with the Company or individual directors.

12. Other

The Committee shall:

- (i) Have access to sufficient resources in order to carry out its duties, including access to the Corporate Secretariat as required;
- (ii) Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- (iii) Have due regard to all applicable laws and regulations, in particular the directors' duties contained in the Companies Act 2006, the provisions of the Code and the requirements of the FCA's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules as appropriate;
- (iv) Work and liaise as necessary with all other Board Committees;
- (v) Ensure that a periodic evaluation of the Committee's own performance is carried out; and
- (vi) At least annually, review its constitution and terms of reference and recommend any changes it considers necessary to the Board for approval.

13. Authority

The Committee is authorised by the Board to:

- (i) Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate professional advice on any matter within its terms of reference as it considers necessary;
- (ii) Seek any information it requires from any employee of the Company or any of the Company's subsidiaries to perform its duties;
- (iii) Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense;
- (iv) Have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board;
- (v) Commission, at the Company's expense, any reports or surveys or outside legal or professional advice which it deems necessary to help it fulfil its obligations; and
- (vi) Collectively and individually have direct access to the Chief Financial Officer, Chief Risk Officer, Group Head of Human Resources, the internal auditors and the Company's external auditors.

Last reviewed in November 2023

Adopted at the Board meeting of the Company on 14 November 2023