

CHESNARA plc - REMUNERATION COMMITTEE TERMS OF REFERENCE

(Approved 11/12/2024)

Reference to 'the Committee' shall mean the Remuneration Committee.

Reference to 'the Board' shall mean the Board of Directors of Chesnara plc.

Reference to 'the Group' shall mean Chesnara plc and its subsidiaries.

1. OBJECTIVES

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing, monitoring, and where appropriate, making recommendations regarding the Group remuneration policy, ensuring that the remuneration policy and remuneration practices are established, implemented and maintained in line with all relevant regulations, the business strategy and risk management strategy, risk profile, objectives, risk management practices, and the long-term interests and performance of the Group as a whole, and incorporating measures aimed at avoiding conflicts of interest.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination & Governance Committee in consultation with the Committee Chair. The Committee shall be made up of at least three members. The Committee shall comprise of not less than three independent NEDs appointed by the Board from time to time on the recommendation of the Nomination & Governance Committee and in consultation with the Chair of the Committee.
- 2.2 The Board through its Nomination & Governance Committee shall appoint the Committee Chair who shall be an independent Non-Executive Director and 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 shall elect one of themselves to chair the meeting.
- 2.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for no more than two further three-year periods provided that the Director still meets the criteria for membership of the Committee.
- 2.4 A member may at any time by notification in writing step down as a member of the Committee;
- 2.5 The Board may in its absolute discretion, and for good cause, terminate the period of office of any member;
- 2.6 The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members or the Group General Counsel and Company Secretary, including without limitation, the establishment of sub-committees which are to report back to the Committee.
- 2.7 In addition to the remuneration paid to NEDs, Chesnara is entitled to pay further remuneration to members of the Committee to recompense them for the additional responsibilities of membership, subject to approval by the Committee. Any

remuneration paid to NEDs will be in compliance with Chesnara's directors' remuneration policy.

3. Meetings

- 3.1 The Committee must meet as often as is required and not less than 3 times a year and at such time as the Committee Chair shall require.
- 3.2 No-one other than the Committee members are entitled to be present at the meetings of the Committee; it is for the Committee to decide if non-members should attend. It is expected that the Board Chair (if not a member), Group Chief Executive Officer ("GCEO") and Group General Counsel & Company Secretary will generally be invited to attend. No person may attend when the Committee is discussing, reviewing or approving that person's own remuneration. The Committee may invite external advisers to attend meetings where it considers this to be appropriate. The Committee will take such steps as it deems to be appropriate to avoid conflicts of interest.
- 3.3 The Board may determine the quorum for meetings of the Committee from time to time. In the absence of any such determination, the quorum will be two members present in person or by audio or video conference.
- 3.4 Meetings of the Committee shall be convened by the Group General Counsel & Company Secretary or his/her nominee at the request of any of its members.
- 3.5 Any decisions will be made by simple majority vote, the Chair having the casting vote.
- 3.6 The Chair of the Committee shall attend the Annual General Meeting in order to respond to any questions on the Committee's activities or on the Directors' Remuneration Report which are thereat raised.

4. Secretary

- 4.1 The Group General Counsel & Company Secretary, or his/her nominee, shall act as Secretary of the Committee when invited unless the Committee determines otherwise.
- 4.2 The Group General Counsel & Company Secretary is responsible for ensuring that the Committee receives due notice of the time and location of meetings and is also responsible for distribution of papers 5 working days in advance of meetings to enable full and proper consideration to be given to the issues tabled.
- 4.3 The Group General Counsel & Company Secretary, or his/her nominee, shall minute the proceedings and resolutions of all Committee meetings including the names of those present and in attendance.

5. Authority

The Committee is authorised by the Board, at Chesnara's expense, to: -

- 5.1 Investigate, or cause to be investigated any activity within its Terms of Reference.
- 5.2 Commission any reports or surveys which it deems necessary to fulfil its obligations.

- 5.3 Obtain external legal or independent professional advice from such advisers as the Committee shall select and who may at the invitation of the Committee attend meetings as necessary. The Committee shall be exclusively responsible for appointing such independent advisers and determining their terms of reference.
- 5.4 Meet for dispatch of its business, adjourn and otherwise regulate its meetings as it shall see fit.
- 5.5 Delegate any of its duties as appropriate to such persons or person as it thinks fit.

6. Responsibilities

- 6.1 The Committee should exercise independent judgement and be able to demonstrate that its decisions are consistent with a reasonable assessment of the Group's financial situation, future prospects and the corporate strategy, supporting the long-term success of the Group.
- 6.2 The Committee shall establish and approve: -
- i) The remuneration considerations of the group as appropriate including relevant policies, ensuring that the remuneration practices are established, implemented and maintained in line with all relevant regulations, the business strategy and risk management strategy, risk profile, objectives, risk management practices, and the long-term interests and performance of the Group as a whole, and incorporating measures aimed at avoiding conflicts of interest.
 - ii) The specific remuneration arrangements for the Board Chair, the GCEO, direct reports of the GCEO (including, for the avoidance of doubt, the General Counsel and Company Secretary), Solvency II Staff of the Group, and others the Committee deem to be appropriate. In doing so, the Committee shall ensure these specific remuneration packages (which typically comprise base salary, annual bonus, long-term incentives, benefits, pension arrangements and service contracts) are: -
 - appropriate in the context of each individual's responsibility and seniority;
 - consistent with the overall financial, risk and business position of the Group; and
 - fair in light of each individual's personal performance.

6.3 Specifically, the Committee will:

- Review regularly the on-going appropriateness and relevance of Chesnara plc's policies on remuneration and seek shareholder approval for the Executive Directors' Remuneration Policy at the Chesnara plc AGM at least every third year.

In determining Chesnara plc's policies on remuneration, the Committee shall consider;

- (i) all relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code 2024 (Code) as amended from time to time along with associated guidance.;

- (ii) the need to promote the long-term sustainable success of the Company and the alignment to the Company purpose and values clearly linked to the successful delivery of the Company's long-term strategy, having regard to the views of shareholders and other stakeholders, and ensuring that executive directors, the Group General Counsel and Company Secretary and senior executives are rewarded in a fair and responsible manner, provided with appropriate incentives to encourage enhanced performance and are rewarded for their individual contributions;
 - (iii) the need to support the strategy of the Company or Group and how the policy reflects and supports the long-term strategy;
 - (iv) the Company's risk appetite and risk management strategy ensuring that the remuneration policy is aligned to the Company's risk policies and systems and long-term strategic goals; and
 - (v) any shareholding requirements, including those as set out in the Executive Directors' Minimum Shareholding policy
- Take into account all factors which it deems necessary including pay and conditions elsewhere in the Group and the interests of shareholders, debtholders and other stakeholders.
 - Within the terms of the relevant remuneration policies as appropriate, and in consultation with and taking recommendations from the GCEO, Chair and external advisers as appropriate, determine the total individual remuneration package of each Chesnara Executive Director, the GCEO's direct reports and where appropriate, Solvency II Staff and other relevant senior management. For the avoidance of doubt, remuneration package may include where appropriate base salary, profit sharing and specific incentive remuneration schemes or arrangements, participation in share option schemes and share option plans, pension arrangements and other benefits and bonuses.
 - Review the design of all new share incentive plans and significant changes to existing share incentive plans (subject to the Listing Rules) for recommendation to the Board for approval and to shareholders where required. For any such plans, monitor their operation and determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to Executive Directors and the performance targets used. Consideration will also be given to the use of provisions and awards that permit the Group to reclaim variable components of compensation in exceptional circumstances such as misstatement or misconduct.
 - Determine, where appropriate with the assistance of external advisers, whether the performance measures for any performance related pay schemes and other cash-based incentive plans operated by the Group have been satisfied and the level of payments to be made.
 - Oversee any short-term and long-term incentive plans offered to individuals within scope of the Committee, including consideration of material rule changes.

- Review and ratify awards made by management to “good leavers” in accordance with the general policies on remuneration.
- Determine the policy for- and the scope of- pension arrangements, service agreements, termination payments and compensation commitments, as relevant, for individuals within scope of the Committee, having regard to regulatory requirements.
- Ensure that contractual terms on termination of Chesnara individuals within scope of the Committee and any payments made, are fair to the individual and the Group, that failure is not rewarded and that the duty of Directors to mitigate loss is fully recognised.
- For any Solvency II identified Staff who fall outside of the Executive Director and GCEO direct reports Group, the Committee may delegate the authority to review and approve certain aspects of remuneration arrangements to any of its members, attendees, or management, as appropriate. The Committee will retain overall responsibility for the remuneration policy for this population. The Committee will have access to decisions made regarding this population under the delegated authority and will receive periodic updates to confirm that the authority has operated with the agreed policy.
- Review and approve control function pay design and the performance assessment of the heads of the control functions and any control function specific scorecards (i.e. Solvency II Staff in Compliance, Risk, Internal Audit and Actuarial).
- Review and approve the framework for the identification of Solvency II Staff and those individuals identified as such annually.
- Ensure that risk management is appropriately represented in the principles and framework of remuneration policies, and appropriately taken into consideration, both the risk profile and risk events, in the determination of remuneration outcomes at both the individual and firm-wide level.
- Review and approve any remuneration regulatory disclosures in respect of the Company.
- In determining remuneration arrangements, give due regard to any relevant legislation and best practice guidance, including the provisions and recommendations in the UK Corporate Governance Code, the FCA’s Remuneration Code, the PRA’s Solvency II Remuneration Requirements and the UK Listing Authority’s Listing Rules and associated guidance to the extent that they apply to the Company.
- Approve the terms of- and any material amendments to- the service contracts of the Board Chair, Chesnara Non-executive and Executive Directors and the GCEO’s direct reports.
- Oversee any material changes in employee benefit structures throughout the Group, delegating to the GCEO the oversight of less material terms or the alignment of less material inconsistencies.

- Review and approve the Countrywide Assured plc (“CA”) Remuneration Policy and/or any UK Business Unit as reflected at any given time through acquisitions and structuring change where CA and/or such UK Business Unit doesn’t have a Remuneration Committee of their own. Ensure that this policy is applied to Chesnara employees with CA responsibilities and/or such relevant UK Business Unit responsibilities. The CA plc and any relevant UK Business Unit boards shall have the responsibility for agreeing and reviewing the fees payable for any independent NED on the CA Board and/or such relevant UK Business Unit Boards.
- Agree the policy for authorising claims for expenses from the Board Chair, Chesnara Executive Directors and the GCEO’s direct reports.
- Be responsible for the appointment of any remuneration consultant.
- Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of engagement for any remuneration consultants who advise the Committee. The Committee shall avoid designing pay structures based solely on benchmarking to the market or the advice of remuneration consultants.
- Consider and make recommendations on any other remuneration issues as requested by the Board.
- Ensure that no director or senior manager be involved in any decisions as to their own remuneration outcome. 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.
- Obtain reliable, up to date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems to be necessary to help fulfil its obligations.
- Work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the Board is regularly reviewed.

7. Reporting Responsibilities

- 7.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall also report to the Board on workforce reward, incentives and conditions, and support the Board’s monitoring of the alignment of company policies and practices with culture and strategy.
- 7.2 The Committee shall make whatever recommendations to the Board that it deems appropriate, on any area within its remit where action or improvement is needed, and adequate time should be available for Board discussion where necessary.
- 7.3 The Committee shall produce the Remuneration Report to shareholders which will form part of the Annual Report of the Group and will include all relevant information in respect of the Executive Director’s Remuneration Policy and practices, and the information on Directors’ remuneration as required by relevant legislation at the time. If

the Committee has appointed remuneration consultants, identify in the Annual Report, the name of the consultants and state whether they have any connection with the Company or individual directors.

7.4 The Committee shall compile a report of the work of the Committee in discharging its responsibilities for inclusion in the Annual Report, including a statement setting out the context in which major decisions on Directors' remuneration occurred and the decisions that have been taken. The report to shareholders should be able to demonstrate how Executive Director remuneration is aligned to the Group's strategic goals. Membership of the Committee and member attendance at its meetings should also be noted in the Annual Report.

7.5 Together with the Chair of the Board, ensure that the Committee Chair maintains contact as required with its principal shareholders about remuneration matters.

8. Other Matters

The Committee shall: -

8.1 Have access to sufficient resources in order to carry out its duties including access to the Company Secretary for advice and assistance as required.

8.2 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.

9. Reviewing effectiveness

9.1 The Committee should review annually its terms of reference and recommend any material changes to the Board for approval.

9.2 The Board should review the Committee's effectiveness annually.

10. Availability of terms of reference

10.1 The terms of reference of the Committee will be made available on Chesnara's website.