

Remuneration committee charter

JOHN WOOD GROUP PLC

Approved by the Board on 8 November 2022

1. Purposes and Powers

The Remuneration Committee ('the Committee') is established by the Board to oversee and be responsible for various aspects of remuneration and benefits of the Chair, Executive Directors, members of the Executive Leadership Team (ELT) and the Company Secretary. The Committee shall have all the powers of the Board, except as may be prohibited by law, with respect to all matters addressed by this Charter.

2. Membership

The members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chair of the Committee and shall consist of not less than three non-executive members of the Board. Each member shall serve at the discretion of the Board and for such term or terms as the Board shall determine.

The Board shall also appoint a Chair of the Committee, on the recommendation of the Nomination Committee. The Chair of the Committee will have served on the Committee for a minimum of one year before being appointed unless this is not possible due to a resignation of eligible Board Directors. 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.

The Chair of the Board shall not be a member of the Committee and each member of the Committee should be an independent non-executive director, independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

The Company Secretary, or their nominee, shall be Secretary to the Committee.

The members of the Committee shall be listed each year in the Annual Report and on the Company's website on an updated basis.

3. Responsibilities

The Committee shall:

3.1 Determine, and agree with the Board, the Remuneration Policy governing the remuneration of the Chair of the Board and Executive Directors. In determining such Policy, the Committee shall consider all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code, associated guidance, and risk appetite. The Policy will be reviewed every three years as a minimum and updated as required; it will then be put to shareholders for a binding vote at least every three years. In the event there is a significant vote against the Policy, for example, less than 80%, the Committee shall seek additional feedback from shareholders and recommend to the Board measures for improvement.

The objective of the Policy is to ensure that the remuneration package:

- promotes the long-term success of the Group and enables the strategy

- reflects a balance of fixed and variable reward, with the intent of creating a competitive total remuneration package that supports the attraction and retention of Executive Directors
- ensures appropriate alignment between incentivised performance and the interests of stakeholders

3.2 Monitor the ongoing appropriateness and relevance of the Remuneration Policy and its application, considering strategic direction, business performance and the wider market and economic conditions; the views of shareholders (via regular consultation on remuneration matters); external market practice; the political climate; and global remuneration trends and practices across the wider workforce, ensuring alignment of incentives and rewards with culture.

3.3 Ensure compliance with the Group's agreed Remuneration Policy.

3.4 Be responsible for the production of the Annual Remuneration Report and the associated advisory vote at the AGM.

3.5 Approve (or in the case of share incentive plans for approval by the Board and shareholders, review and recommend) the design of, and determine targets for, the Group's annual and long-term incentive plans, ensuring targets are stretching, transparent and measurable, including non-financial objectives.

3.6 Liaise with the SSABE and Audit Committees to ensure assurance of progress against annual and long-term incentive plan performance measures.

3.7 Review and approve the total payments made under the annual and long-term incentive plans, following review by the SSABE and Audit Committees considering Group performance, financial results, and personal contribution, ensuring flexibility, discretion and judgement are applied as appropriate.

3.8 Review and approve, in consultation with the Chair of the Board and Chief Executive Officer, as appropriate, for each Executive Director, members of the ELT and the Company Secretary:

- the annual base salary level
- eligibility, structure and participation level for annual bonuses and long-term incentive plans. Performance conditions should be relevant, stretching and designed to pay for performance to execute the business strategy and deliver shareholder value
- determine the policy for, and scope of, retirement arrangements
- key terms of employment, including notice periods
- any shareholding requirements, including post-employment requirements as appropriate
- any other remuneration or benefits, ensuring that these are designed to promote the long-term success of the Group

3.9 Review and approve, in consultation with the Chief Executive Officer, any remuneration requests for positions below the ELT in terms of base salary, hire/severance/termination payments, short and long-term incentive arrangements, which exceed, or could potentially exceed, \$1.5 million.

3.10 Review workforce remuneration and related policies, ensuring alignment of incentives and rewards with culture. This will include matters such as reward principles applied across the company, base pay, benefits, retirement plans and all incentives and aspects of financial and non-financial reward that drive behaviour. This will enable workforce remuneration to be considered when setting executive pay and enable the Committee to provide the Board with feedback on workforce reward and conditions.

3.11 Engage with the workforce on how executive pay reflects wider company reward policy and their remuneration experience.

3.12 Review the issuance of new ordinary shares pursuant to the provisions of the Group's share plans taking account of applicable institutional guidance.

3.13 Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

3.14 Agree and govern the policy for authorising claims for expenses from the Executive Directors and the Chair of the Board.

3.15 Be aware of major changes to employee reward structures throughout the Group.

3.16 Give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate.

3.17 At least once a year review its own performance, constitution and terms of reference and recommend any necessary changes to the Board.

4. Authority to Retain Consultants and Meet with Group Personnel

The Committee shall have the authority to retain special legal, remuneration, accounting, or other consultants to advise the Committee. The Committee may request any officer of the Group or the Group's outside counsel to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company secretariat and the People & Organisation function for assistance as required.

5. Conflicts of Interest

No Director shall participate in any discussion or decision in relation to their own remuneration.

6. Meetings

There should be as many meetings as the Committee's role and responsibilities require, however meetings shall be held not less than twice a year.

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

The quorum shall be two members.

Papers for meetings will normally be circulated by the Secretary or their nominee at least seven days before the meeting.

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board unless it would be inappropriate to do so.

Other than set out below, no-one other than the Committee members shall be entitled to attend Committee meetings.

The Chair of the Board and the Group Chief Executive Officer will normally be invited to attend Committee meetings; the Executive President of People & Organisation and the President, Reward & Mobility, other Board members, members of management and other persons may attend meetings at the invitation of the Committee. Only members of the Committee have the right to vote on matters at the meetings.

Outside of formal meetings it is expected that the Chair of the Committee, and to a lesser extent, the other members, will wish to keep in touch with the key people involved in the Company, including the Chair of the Board, Group Chief Executive Officer, and Executive President of People & Organisation.

7. Reporting

The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within the Committee's duties and responsibilities and shall make whatever recommendations to the Board it deems appropriate on any area within its remit.

The Committee should be able to demonstrate that it has the full support of the Board.

The Committee should prepare and recommend to the Board the Annual Remuneration Report (which at least every three years will include the Directors Remuneration Policy) to be included in the annual report to shareholders and ensure that it is put to shareholders for approval at the AGM.

The Chair of the Committee will be available at the AGM to answer questions.

8. Authority Retained by the Group Chief Executive Officer

Within the Policy framework, the Group Chief Executive Officer is given full authority, which may be delegated, to establish the remuneration for all other employees of the Group whose remuneration is not subject to approval by the Committee.

9. Non-Executive Directors

The fixing of the remuneration and/or benefits for non-executive directors will be a matter for the Board, within the limits set in the Articles of Association.