



## **PICTON PROPERTY INCOME LIMITED**

### **TERMS OF REFERENCE - REMUNERATION COMMITTEE**

**APPROVED BY THE BOARD ON 20 MAY 2024**

#### **1. Constitution**

1.1 The Remuneration Committee, (the "Committee"), is constituted as a Committee of the Board of Directors of Picton Property Income Limited, (the "Company"), to assist the Board of the Company in its oversight responsibilities.

1.2 The Committee may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the Board.

#### **2. Membership**

2.1 The Committee shall comprise at least three members, all of whom shall be independent non-executive directors. The Chair of the Board may also serve on the Committee as an additional member if they were considered independent on appointment as Chair.

2.2 The Board shall appoint the Committee Chair who shall be an independent non-executive director who should normally have served on a remuneration committee for at least twelve months. In the absence of the Committee Chair and/or an appointed deputy member, the remaining members present shall elect one of themselves to chair the meeting. The Chair of the Board shall not be Chair of the Committee.

2.3 Appointments to the Committee are made by the Board on the recommendation of the Nomination Committee and in consultation with the Committee Chair and shall be for a period of up to three years, which may be extended for up to two additional periods of three years, provided they continue to be independent.

2.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, Chief Financial Officer and external advisers may be invited by the Committee Chair to attend for all or part of any meeting, as and when appropriate.

2.5 Each member of the Committee shall disclose to the Committee:

(a) any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; or

(b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interests exists and from participating in the discussion concerning such resolutions and (if so requested by the Board) shall resign from the Committee.

#### **3. Secretary**

The Company Secretary or their nominee shall act as the Secretary of the Committee.

#### **4. Quorum**

4.1 The quorum necessary for the transaction of business of the Committee shall be two members present throughout the meeting in person or via telephone. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

#### **5. Frequency of meetings**

The Committee shall meet at least twice a year and otherwise as required.

#### **6. Notice of Meetings**

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

6.2 Unless otherwise agreed, notice of each meeting of the Committee confirming the venue, date and time together with an agenda of items to be discussed and supporting papers where appropriate shall normally be forwarded to each member of the Committee and any other person required to attend, in good time in advance of the date of the meeting.

#### **7. Minutes of meetings**

7.1 The Secretary shall minute the proceedings and decisions of Committee meetings.

7.2 Draft minutes shall be circulated to all members of the Committee and once approved circulated to all other members of the Board, unless it would be inappropriate to do so.

#### **8. Engagement with shareholders**

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.

#### **9. Duties**

The Committee shall be responsible for determining and recommending to the Board for approval, remuneration matters of the Company in a way that supports the Company's strategy and values as follows:

9.1 Review the ongoing appropriateness and relevance of the remuneration policy. The objective of such policy shall be to ensure that members of the executive management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.

9.2 Have delegated responsibility for determining remuneration policy for directors' remuneration and setting remuneration for the Company's Chair and executive directors and senior management, including the Company Secretary, in accordance with the Principles and Provisions of the Code.

9.3 Establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests.

9.4 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.

9.5 When determining executive director remuneration policy and practices, take into account all other factors which it deems necessary including relevant legal and regulatory requirements, the provision and recommendations of the Code and associated guidance.

9.6 Be exclusively responsible for establishing the selection criteria, which includes selecting, appointing, and setting the terms of reference for any remuneration consultants (as required) who advise the Committee and to commission or purchase any reports, surveys, or information which it deems necessary at the expense of the Company.

9.7 Within the terms of the agreed policy determine the total individual remuneration package of the Chair, Chief Executive and senior management including base salary, bonus, incentive payments, share options or other share awards, compensation in the event of early termination (if applicable) and pensions. No director or manager shall be involved in any decisions as to their own remuneration.

9.8 Have oversight of the implementation of the remuneration policy and remuneration packages in respect of other employees.

9.9 Recommend to the Board the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes, seeking advice from external advisors as appropriate.

9.10 Recommend to the Board, the policy for pension arrangements.

9.11 Oversee any major changes in employee benefits structures within the Company.

9.12 Work and liaise as necessary with other Board Committees, ensuring the interaction between Committees and with the Board is reviewed regularly.

9.13 Consider and approve any proposal to employ former directors as consultants.

9.14 Consider any other matters as referred to the Committee by the Board.

## **10. Reporting Responsibilities**

10.1 The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

10.2 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 made available for Board discussion when necessary.

10.3 The Committee shall provide a description of its work in the Annual Report in line with the requirements of the UK Corporate Governance Code.

10.4 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. Other matters**

The Committee shall:

11.1 Consider the disclosures relating to the role of the Committee included in the Annual Report and Accounts.

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

11.3 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.

11.4 Give due consideration to laws and regulations, the provisions of the Code, the requirements of the FCA's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules sourcebook, and any other applicable rules, as appropriate.

11.5 At least once a year, review its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

## **12. Authority**

The Committee is authorised by the Board to obtain at the company's expense, outside legal or other professional advice on any matters within its terms of reference.