

Wincanton plc

Remuneration Committee Terms of Reference

1. Membership

- 1.1. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chairman of the Remuneration Committee. The Committee shall be made up of at least three members, all of whom are to be independent non-executive directors. The Chairman of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Human Resources Director and external advisers may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 1.3. 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.
- 1.4. The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair that meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not be Chairman of the Committee.

2. Secretary

- 2.1. The Company Secretary or their nominee shall act as the Secretary of the Committee and will ensure that the Committee reviews information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two members present, in person or by telephone or other electronic means. 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.

4. Meetings

- 4.1. The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require or as the Board may direct.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 5.2. 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, any other person required to attend and all other

non-executive directors, in advance of the meeting and, other than in exceptional circumstances, no later than five 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.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists or, in the opinion of the Committee Chairman, it would be inappropriate to do so.

7 Annual General Meeting

- 7.1 The Chairman of the Committee should attend the Annual General Meeting (“AGM”) to respond to any shareholder questions on the Committee’s activities.

8 Duties

The Committee shall carry out the duties detailed below for the parent company, major subsidiary undertakings and the Group as a whole, as appropriate.

The Committee shall:

- 8.1 have responsibility for setting the remuneration policy for all executive directors and the Company’s chairman, including pension rights and any compensation payments. The Board 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 level and structure of remuneration for the Executive Management Team and the other direct reports of the Chief Executive;
- 8.3 in determining remuneration policy, take into account all factors that it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance. The objective of such policy should be to design remuneration in order to promote the long-term success of the Company, 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 strategic goals. The Committee should determine an appropriate balance between fixed and performance-related, immediate and deferred remuneration and ensure all performance-related elements are transparent, stretching and rigorously applied.
- 8.4 when setting remuneration policy for executive directors, review and have regard to pay and employment conditions across the Group, especially when determining annual salary increases;
- 8.5 undertake a formal and transparent procedure to review the ongoing appropriateness and relevance of the remuneration policy;
- 8.6 ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company; that failure and poor performance are not rewarded; and the duty to reduce compensation to mitigate loss is fully recognised;

- 8.7 within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive, as appropriate, determine the total individual remuneration package of each executive director and the Company Chairman including bonuses, incentive payments and share options or other share awards;
- 8.8 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee: and to obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. 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 to help it fulfil its obligations;
- 8.9 approve the design of, and determine targets for, any performance-related remuneration operated by the Company and approve the total annual payments made under such schemes (in accordance with the provisions in Schedule A to the Financial Reporting Council's UK Corporate Governance Code (the "Code"));
- 8.10 review the design of all share incentive plans for approval by the Board and shareholders and consider requirements for shares to be held by executive Directors after vesting, exercise or leaving the Company. 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 and other designated senior managers and the performance targets to be used;
- 8.11 determine policy for, and scope of, pension arrangements for each executive director and other designated senior managers defined in 8.2 above;
- 8.12 oversee any major changes in employee benefits structures at Group level, specifically excluding changes required at the customer contract level;
- 8.13 agree the policy for authorising claims for expenses from the Directors;
- 8.14 agree the policy in respect of Executive Directors and other appropriate senior employees accepting non-executive appointments outside the Company;
- 8.15 work and liaise as necessary with all other Board committees; and
- 8.16 ensure the Company's remuneration policy is put to shareholders for approval once every three years or at the AGM immediately following any proposed amendment to the remuneration policy.

9 Reporting Responsibilities

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, and the Code and any other relevant legislation or regulations that apply to the Company (and Group) are fulfilled. The Committee shall produce a report on the implementation of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to shareholders at the AGM for an advisory vote. If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any connection with the Company.

- 9.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area with its remit where action or improvement is needed.
- 9.4 Through the Chairman of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

10 Other

The Committee shall:

- 10.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 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, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share schemes including but not limited to the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules as well as guidelines published by The Investment Association (a merger of the Association of British Insurers and the IMA) and the National Association of Pension Funds 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.

11 Authority

- 11.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 11.2 In connection with its duties the Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice.