

BIG YELLOW GROUP PLC

Terms of Reference – Remuneration Committee

“Board” means the Board of Directors

“Committee” means the Remuneration Committee

“Code” means the prevailing UK Corporate Governance Code as published by the Financial Reporting Council

“Executive Director” means executive members of the Board and includes the Chair of the Board where this role is executive in nature

“Senior Management Team” means the executive committee or the first layer of management below Board level, and includes the Company Secretary for the purposes of this document

1. Membership

- 1.1. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chair of the Remuneration Committee. The Committee shall be made up of at least three independent Non-Executive Directors.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chair, Chief Executive, the Head of People, Talent and Development and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 1.3. Appointments to the Committee shall be for a period of up to three years, which may be extended for up to two additional three year periods, provided members (other than the Chair of the Board, if they are a member of the Committee) continue to be independent. Membership of the Committee shall automatically cease if the member ceases to be a director of the Company.
- 1.4. The Board shall appoint the Committee Chair, who shall be an independent Non-Executive Director who should have served on a remuneration committee for at least 12 months. Where the Committee Chair and/or an appointed deputy is absent, then the remaining members present shall elect one of their number (who would qualify under these terms of reference to be appointed to that position by the Board) to chair the meeting.
- 1.5. The Chair of the Board shall not be Chair of the Committee, although they may be a member of the Committee if they were considered to be independent on appointment as Chair of the Board.

2. Secretary

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

3. Quorum

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

The Committee shall meet at least twice a year and at such other times as the Chair of the Committee shall require.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Committee Chair or 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 and any other person required to attend and all other Non-Executive Directors, 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.

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. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board and the Company Secretary, unless, exceptionally, it would be inappropriate to do so..

7. Annual General Meeting / Engagement with Shareholders

- 7.1. The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.
- 7.2. In addition, the Committee Chair shall seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

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 delegated responsibility for determining and agreeing with the Board the framework or broad policy for the remuneration of the Company's Non-Executive Chair (should there be a Non-Executive rather than an Executive Chair), Executive Directors and members of

the Senior Management Team. The remuneration of Non-Executive Directors (excluding any Non-Executive Chair) shall be a matter for the Chair and the executive members of the Board. Levels of remuneration for all Non-Executive Directors should reflect the time commitment and responsibilities of the role. Remuneration for all Non-Executive Directors should not include share options or other performance-related elements. No director or manager shall be involved in any decisions as to their own remuneration outcome;

- 8.2. in determining such policy, take into account all factors which it deems necessary, including that remuneration policies and practices should be designed to support the strategy and promote long-term sustainable success, with executive remuneration aligned to the Company's purpose and values, and clearly linked to the successful delivery of the Company's long-term strategy. 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 and other stakeholders;
- 8.3. review the ongoing appropriateness and relevance of the remuneration policy;
- 8.4. approve 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;
- 8.5. review the design of all share incentive plans and significant changes to such plans for approval, in each case, by the Board and shareholders (save in the circumstances permitted by the UK Listing Rules). 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 the Executive Directors and Senior Management Team members and the performance targets to be used. The Committee should take into account that the schemes should promote long-term shareholdings by Executive Directors that support alignment with long-term shareholder interests, and that in normal circumstances, share awards should be released for sale on a phased basis and be subject to a total vesting and holding period of five years or more. The Committee should develop a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares;
- 8.6. ensure that directors' contracts and/or other agreements or documents which cover director remuneration include malus and clawback provisions that would enable the Company to recover and/or withhold sums or share awards, and specify the circumstances in which it would be appropriate to do so;
- 8.7. determine the policy for, and scope of, pension arrangements for each Executive Director and Senior Management Team member and understand how these compare to pension arrangements for the general workforce. The Committee should note that only basic salary should be pensionable and the pension contribution rates for Executive Directors, or payments in lieu, should be aligned with those available to the workforce. The Committee should carefully consider the pension consequences and associated costs of basic salary increases and any other changes in pensionable remuneration, or contribution rates when compared with workforce arrangements, particularly for directors close to retirement;
- 8.8. ensure that contractual terms on termination, and any payments made, to Executive Directors and Senior Management Team members are fair to the individual, and the Company, that failure is not rewarded and that the Committee is robust in reducing compensation to reflect departing directors' duty to mitigate loss. Notice or contract periods should be set at one year or less. If it is necessary to offer longer notice or contract periods to new Executive Directors or Senior Management Team members recruited from outside, such periods should reduce to one year or less after the initial period;

- 8.9. within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive as appropriate, determine the total individual remuneration package of each Executive Director and Senior Management Team member including bonuses, incentive payments and share options or other share awards. The Committee should keep in mind that 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;
- 8.10. in determining such packages and arrangements, consider the clarity and simplicity of remuneration arrangements, remuneration risk and predictability of outcomes, the proportionality of outcomes in respect of strategy delivery and long-term sustainable success and alignment to culture;
- 8.11. in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Code, and the requirements of the FCA's UK Listing Rules, Prospectus Rules: Admission to Trading on a Regulated Market (PRM) Sourcebook and the Disclosure and Transparency Rules, and any other applicable rules, as appropriate, and associated guidance;
- 8.12. review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for Executive Directors and Senior Management Team member remuneration;
- 8.13. review and note annually the remuneration trends across the Company or group, including review of the CEO, gender, ethnicity and other pay ratios and pay gaps;
- 8.14. oversee any major changes in employee benefits structures throughout the Company or group;
- 8.15. agree the policy for authorising claims for expenses from the Chief Executive and Chair;
- 8.16. ensure that all provisions regarding disclosure of remuneration, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the Code are fulfilled;
- 8.17. take due account of prevailing institutional shareholder guidelines in relation to directors' remuneration and associated guidance;
- 8.18. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee. The Committee should keep in mind that independent judgement should be exercised when evaluating the advice of external third parties and when receiving views from executive and senior management, and avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants;
- 8.19. 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 necessary to help it fulfil its obligations; and
- 8.20. ensure in so far as the Committee considers it appropriate that the Company maintains a dialogue with shareholders about the remuneration of Executive Directors and the work of the Committee.

9. Reporting Responsibilities

- 9.1. The Committee Chair 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 make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time shall be available for Board discussion when necessary.
- 9.3. The Committee shall prepare both a forward-looking Remuneration Policy report, to be put to a binding shareholder vote at least every three years, together with an annual Remuneration Report (comprising an Annual Statement and Annual Report on Remuneration), which will be put to an advisory shareholder vote at each AGM and comply with relevant legal and regulatory requirements, including the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019.
- 9.4. The Committee shall provide a description of its work in the annual report in line with the requirements of the Code, including:
 - 9.4.1. an explanation of the strategic rationale for Executive Directors' remuneration policies, structures and any performance metrics;
 - 9.4.2. reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps;
 - 9.4.3. whether the remuneration policy operated as intended in terms of company performance and quantum, and, if not, what changes are necessary;
 - 9.4.4. what engagement has taken place with shareholders and the impact this has had on remuneration policy and outcomes;
 - 9.4.5. what engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy; and
 - 9.4.6. to what extent discretion has been applied to remuneration outcomes and the reasons why.
- 9.5. The Committee shall ensure the annual report on remuneration includes a description of its malus and clawback provisions, including:
 - 9.5.1. the circumstances in which malus and clawback provisions could be used;
 - 9.5.2. a description of the period for malus and clawback and why the selected period is best suited to the organisation; and
 - 9.5.3. whether the provisions were used in the last reporting period. If so, a clear explanation of the reason should be provided in the annual report.
- 9.6. If the Committee has appointed remuneration consultants, the consultant shall be identified in the annual report alongside a statement about any other connection it has with the Company or individual directors.

10. Other

- 10.1. The Committee shall, at least once a year, as part of the wider Board evaluation, review its own performance, 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.
- 10.2. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required, and be provided with appropriate and timely training, both in the form of an induction programme for new members and an ongoing basis for all members.

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, within any budgetary constraints imposed by the Board, any outside legal or other professional advice, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help discharge its duties. If the Committee Chair considers that the budget allocated is insufficient to enable the Committee to fulfil its responsibilities, the Committee Chair may request additional funding from the Board, and the Board shall give due consideration to any such request.

Date of Approval: March 2026

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