

**CMC Markets plc**  
("the Company")

**REMUNERATION COMMITTEE**  
("the Committee")

**TERMS OF REFERENCE**

**1. CONSTITUTION**

1.1 The Committee was constituted as a committee of the board of directors (board) of the Company at a meeting of the board held on 25 January 2016 in accordance with the articles of association of the Company.

1.2 The Committee has the delegated authority of the board in respect of the functions and powers set out in these terms of reference.

**2. MEMBERSHIP**

2.1 The Committee shall comprise of a minimum of three independent Non-Executive Directors, as determined by the Board, (in accordance with the provisions of the UK Corporate Governance Code "the Code"). If the Board decides that a member of the Committee is no longer independent that member will then cease to be a member of the Committee.

2.2 The board shall appoint members of the Committee, on the recommendation of the Nomination Committee, in consultation with the Committee chairman.

2.3 The chairman of the board may be a member of the Committee if he or she was considered independent on appointment as Chairman of the Board, but shall not chair the Committee.

2.4 Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent.

2.5 The board shall appoint the chairman of the Committee from among the independent non-executive directors and shall determine the period for which the chairman of the Committee will hold office. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present at a meeting shall elect one of their number present to chair the meeting.

2.6 The Committee shall review membership of the Committee annually, as part of the annual effectiveness review of the Committee.

2.7 The Company Secretary, or his or her nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

### **3. MEETINGS: ATTENDANCE, NOTICE, QUORUM AND VOTING**

3.1 The Committee shall meet at least two times a year and additionally as and when required.

3.2 Outside of the formal meeting programme, the Committee chairman shall maintain a dialogue with key individuals involved in the Company's governance, including the board chairman, the chief executive, the finance director, the external audit lead partner and the head of internal audit.

3.3 Only Committee members have the right to attend and vote at Committee meetings. However, other individuals such as the Chairman (if not a member), the Chief Executive Officer, the Head of Human Resources, Finance Director and external advisers may be invited to attend meetings of the Committee by invitation. Other non-members may be invited to attend all or part of any meetings as and when necessary. The Committee chairman shall have the discretion to decide who, other than the Committee members, shall attend and address Committee meetings.

3.4 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

3.5 Committee members shall be deemed to meet together if they are in separate locations but are linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other.

3.6 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.

3.7 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be considered, shall be sent to each member of the Committee and any other person invited to attend, at least three days prior to the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee chairman.

3.8 The quorum necessary for the transaction of business at a Committee meeting shall be two members for the duration of the meeting.

3.9 A duly convened Committee meeting 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.

3.10 Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting.

3.11 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote on that matter.

3.12 Except where he has a personal interest, the Committee chairman shall have a casting vote.

#### 4. ROLE AND RESPONSIBILITIES

The Committee shall carry out the following duties for the Company and its subsidiaries, including CMC Markets UK plc, (the “Group”) as appropriate:

4.1 Be responsible for determining the remuneration policy and framework, and setting the remuneration for all executive directors, members of the Senior Leadership Team, the Company Secretary and the Chairman of the Board, including pension rights, benefits entitlements and any compensation payments (the ‘Directors Remuneration Policy’). The Board, excluding the non-executive directors, should determine the remuneration of the non-executive directors within the limits set in the Articles of Association. No director or member of the Senior Leadership Team shall be involved in any decisions as to their own remuneration;

4.2 The objective of the Directors Remuneration Policy shall be to attract, retain and motivate executive management of the quality required to promote the long term success of the company and to encourage enhanced performance without, in the view of the Committee, paying more than is necessary, having due regard to views of shareholders and other stakeholders.

4.3 In determining the Directors Remuneration Policy the Committee should take into account all factors which it deems necessary including the interests of shareholders including:

(i) the remuneration arrangements and workforce policies and practices for employees below Senior Leadership Team level;

(ii) ensure that the remuneration framework is compatible with the Company’s risk appetite and with the assistance of the Group Risk Committee ensure that the risks associated with the Directors Remuneration Policy and associated schemes are adequately monitored and controlled, including

- a) Ensuring greater alignment between risk and reward;
- b) Discouraging excessive risk taking and short termism;
- c) Encouraging more effective risk management;
- d) Supporting positive behaviours and a strong and appropriate culture; and
- e) Ensuring the remuneration framework leads to appropriate outcomes, to the extent that it can be demonstrated that governance arrangements are effective at identifying, managing and mitigating the risk of harm that inappropriate incentives may cause;

(iii) have regard to the Company’s short and long-term strategic objectives and overall performance;

(iv) determine an appropriate balance between fixed, short-term and long-term performance-related remuneration.

(v) ensure a significant proportion of remuneration designed to promote the long-term success of the Company.

4.4 To ensure that the directors' remuneration report includes the information on directors' remuneration required to be disclosed by the Companies Act 2006 (including regulations made thereunder), the Code, the Listing Rules and any other relevant statutory, regulatory or governance codes;

4.5 To review the ongoing appropriateness and relevance of the Directors Remuneration Policy;

4.6 Oversee and review periodically for adequacy and effectiveness the Group's remuneration framework, remuneration philosophy, workforce policies and practices as they relate to employees below the executive director and Senior Leadership Team level (the "Group Remuneration Policy"). This includes both fixed and any material variable components and/or schemes which may have the effect of creating inappropriate incentives resulting in the risk of harm, and any material change to the remuneration of Code Staff. The Group Remuneration Policy should be taken into account when setting the policy for director remuneration. In overseeing and reviewing the Group Remuneration Policy the Committee may invite input from the Head of Human Resources and have authority to request reports and analysis to provide relevant insight on remuneration arrangements below Senior Leadership Team Level. Such reports may include but are not limited to, reports on fair pay, diversity, incentive arrangements, total pay opportunities and bonus payouts for employees below Senior Leadership Team level etc;

4.7 To approve the design and determine targets for performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;

4.8 When setting the remuneration policy for directors and Senior Leadership Team, review and have regard to pay and employment conditions across the Group, especially when determining annual salary increases;

4.9 To review and recommend the design of all existing and new cash bonus and share incentive plans for approval by the Board and shareholders:

(i) determine policy for the grant of awards/options to Executive Directors and Senior Leadership Team of the Company, to ensure that they are provided with appropriate incentives consistent with the Company's policy as stated in the directors' remuneration report for the Company's last audited financial year;

(ii) set appropriate performance targets and metrics (where appropriate) in connection with the awards and options;

(iii) approve all and any awards/options to Executive Directors and Senior Leadership Team each year, including consideration of the quantum of grants and vesting schedules;

(iv) determine with the Committee's independent remuneration consultants and Auditors, whether such performance targets have been satisfied;

(v) any amendments to the awards and plans prior to obtaining any necessary shareholder approval; and

(vi) exercise any discretion specified in the rules of the plans and generally oversee the administration of the plans offered to executive directors and Senior Leadership Team.

4.10 To determine the policy for, and scope of, pension arrangements for each Executive Director and other members of the Senior Leadership Team;

4.11 Apply appropriate safeguards, including relevant withholding and recovery provisions, in respect of the performance-related payments to Executive Directors and Senior Leadership Team;

4.12 To be able to demonstrate that its decisions are consistent with a reasonable assessment of the Group's financial situation and future prospects;

4.13 Review and note annually the remuneration trends across the Group;

4.14 To obtain reliable, up-to-date and relevant information about remuneration developments, trends, industry guidance and market competitiveness with other companies. The Committee shall have full authority to commission any reports or surveys as it considers necessary to fulfil its obligations;

4.15 To ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

4.16 Within the terms of the agreed Directors Remuneration Policy, and in consultation with the Chairman and/or Chief Executive Officer (as appropriate) determine the total individual remuneration package of each executive director and other Senior Leadership Team members including fees and expenses, bonuses, incentive payments and share options or other share awards;

4.17 In determining such packages and arrangements, to give due regard to any relevant legal requirements, the provisions and recommendations in the Code and the UK Listing Authority's Listing Rules and associated guidance;

4.18 To oversee any major changes in employee benefits structures in the Group;

4.19 To agree the policy for authorising claims for expenses from the Board directors;

4.20 To appoint independent consultants and make a statement in the Company's Annual Report and Accounts identifying such consultants and whether they have any other connection with the Company;

4.21 To be 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 commission any reports or surveys by remuneration consultants which it deems necessary to help it fulfil its obligations; and

4.22 Approve service agreements and all material amendments thereto.

## **5. MINUTES OF MEETINGS**

5.1 The Company Secretary (or his or her nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

5.2 Draft minutes of Committee meetings shall be circulated promptly to all Committee members.

5.3 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

## **6. ANNUAL GENERAL MEETING**

6.1 All Committee members shall attend the annual general meeting and the Committee chairman (or other appropriate member) shall be available to respond to any shareholder questions on the Committee's activities and areas of responsibility.

## **7. REPORTING RESPONSIBILITIES**

The Committee shall:

7.1 Report to the board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all Committee meetings shall be made available to all Board members, unless the Committee Chairman deems this inappropriate;

7.2 Prepare a formal report to shareholders on its activities to be included in the Company's annual report:

(a) Ensure provisions regarding disclosure of information as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations and the UK Corporate Governance Code, are fulfilled and produce a Remuneration Report in the Group's annual report and accounts;

(b) Ensure that the relevant shareholder approvals are sought on the Remuneration Report at the Annual General Meeting; and

(c) If the Committee has appointed remuneration consultants, the above report on the Group's remuneration policy should identify such consultants and state whether they have any other connection with the company.

7.3 Make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed;

7.4 Where disagreements between the Committee and the board cannot be resolved, report the issue to the shareholders as part of the report on the Committee's activities in the annual report;

7.5 Through the Chairman of the Board, ensure that the Group maintains contact as required with its principal shareholders about remuneration; and

7.6 Make available to shareholders these terms of reference by placing them on the Company's website.

## **8. GENERAL MATTERS**

The Committee shall:

8.1 Consider other duties determined by the board from time to time;

8.2 Have access to sufficient resources in order to carry out its duties, including access to the company secretary as required;

8.3 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members. Any individual training to be discussed and agreed with the company secretary;

8.4 Give due consideration to all applicable laws and regulations, in particular the directors duties contained in the Companies Act 2006, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Rules and Transparency Rules and any other applicable rules as appropriate;

8.5 Work and liaise as necessary with all other board committees; and

8.6 Arrange for annual review of its own effectiveness and performance and, at least annually, review its terms of reference and recommend any changes it considers necessary to the board for approval.

## **9. AUTHORITY**

The board authorises the Committee to:

9.1 Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate professional advice on any matter within its terms of reference as it considers necessary;

9.2 Seek any information it requires from any employee of the Company or any of the Company's subsidiaries to perform its duties;

9.3 Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense;

9.4 Have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the board;

9.5 Commission, at the Company's expense, any reports or surveys which it deems necessary to help it fulfil its obligations; and

9.6 Collectively and individually have direct access to the Group Finance Director, Chief Risk Officer, Head of Human Resources, the internal auditors and the Company's external auditors.

**Adopted at the board meeting of the Company on 23 November 2021.**