

*Approved by the Board of Directors at
the meeting held on 8 December 2023*

TI FLUID SYSTEMS PLC

REMUNERATION COMMITTEE

TERMS OF REFERENCE

CONTENTS

Clause	Page
1. DEFINITIONS AND INTERPRETATION	1
2. CONSTITUTION.....	1
3. MEMBERSHIP	2
4. SECRETARY	2
5. QUORUM.....	2
6. FREQUENCY OF MEETINGS	2
7. NOTICE OF MEETINGS.....	3
8. MINUTES OF MEETINGS	3
9. ANNUAL GENERAL MEETING.....	3
10. DUTIES.....	3
11. REPORTING RESPONSIBILITIES	6
12. OTHER MATTERS.....	7
13. AUTHORITY	8

1. DEFINITIONS AND INTERPRETATION

1.1 In these terms of reference, unless the context otherwise requires:

“**AGM**” means the annual general meeting of the shareholders of the Company;

“**Board**” means the board of directors of the Company;

“**Chair**” means the chair of the Board;

“**Chief Executive Officer**” means the chief executive officer of the Company, from time to time;

“**Chief Financial Officer**” means the chief financial officer of the Company, from time to time;

“**Chief Human Resources Officer**” means the chief human resources officer of the Group, from time to time;

“**Chief Legal Officer**” means the chief legal officer of the Group, from time to time;

“**Committee**” means the remuneration committee of the Company;

“**Committee Chair**” means the chair of the Committee;

“**Company**” means TI Fluid Systems plc;

“**CSR**” means corporate and social responsibility;

“**DTRs**” means the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority;

“**ESG**” means environment, social and governance, including sustainability and CSR matters;

“**ESG Committee**” means the ESG committee of the Company;

“**Executive Directors**” means the Chief Executive Officer and the Chief Financial Officer;

“**Group**” means the Company and its subsidiaries;

“**Listing Rules**” means the listing rules of the UK Financial Conduct Authority;

“**Nomination Committee**” means the nomination committee of the Company;

“**Prospectus Regulation Rules**” means the prospectus regulation rules of the UK Financial Conduct Authority, as amended from time to time;

“**Secretary**” means the secretary of the Committee; and

“**Senior Management**” means those persons in senior management roles in the Group who report directly to the Chief Executive Officer; and

“**UK Corporate Governance Code**” means the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time.

2. CONSTITUTION

The Committee was established by a resolution passed by the Board on 13 October 2017.

3. MEMBERSHIP

- 3.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Committee Chair. The Committee shall comprise at least three members, all of whom shall be independent non-executive directors. The Chair may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chair.
- 3.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Chief Financial Officer, other directors, the Chief Legal Officer, the Chief Human Resources Officer and external professional advisers may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 3.3 All 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 the members continue to meet the criteria for membership of the Committee.
- 3.4 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. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chair shall not be the Committee Chair.
- 3.5 If any member of the Committee is unable to act for any reason, the Committee Chair may appoint any other independent non-executive director of the Company to act as their alternate.

4. SECRETARY

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

5. QUORUM

- 5.1 The quorum necessary for the transaction of business by the Committee shall be two members. 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.
- 5.2 A member of the Committee shall not be counted in the quorum where decisions are to be made or discussions are to take place concerning such member's remuneration and such member shall recuse themselves from any Committee vote regarding the same.

6. FREQUENCY OF MEETINGS

- 6.1 The Committee shall meet regularly and at least twice a year and at such other times as required by the Committee Chair.
- 6.2 Members of the Committee and other attendees may attend meetings by telephone, videoconference or any other method of communication.
- 6.3 Decisions may be taken by the Committee without a meeting if all of the members of the Committee provide their approval in writing.

6.4 Outside the formal meetings of the Committee, the Committee Chair and, to a lesser extent, the other Committee members, will maintain a dialogue with key individuals involved in the activities within the purview of the Committee.

7. NOTICE OF MEETINGS

7.1 Meetings of the Committee shall be convened by the Secretary at the request of the Committee Chair. The Committee Chair may call a special meeting of the Committee at any time upon due notice to each other member at least 48 hours prior to the meeting.

7.2 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 by the Secretary to each member of the Committee, 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 prior to the meeting to Committee members and to other attendees, as appropriate.

7.3 Notices, agendas, minutes and supporting papers can be sent in electronic form.

8. MINUTES OF MEETINGS

8.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

8.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, minutes should be circulated to all other members of the Board, unless the Committee Chair considers it inappropriate to do so.

8.3 Final signed copies of the minutes of the meetings of the Committee should be maintained for the Company's records, in hard and soft copy where possible.

9. ANNUAL GENERAL MEETING

The Committee Chair shall attend the AGM prepared to respond to any shareholder questions on the Committee's activities.

10. DUTIES

10.1 The Committee should carry out the duties below for the Company, major subsidiary undertakings and the Group as a whole, as appropriate.

10.2 The Committee shall:

(a) determine and agree with the Board the framework or broad policy for the remuneration (including pension rights and any compensation payments) of the Chair, Executive Directors, the Senior Management and the secretary of the Company, in accordance with the principles and provisions in the UK Corporate Governance Code. The remuneration of non-executive directors shall be a matter for the Board or, where required by the Company's articles of association, the shareholders;

(b) review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and the Senior Management and evaluate the performance of such persons in light of those goals and objectives;

(c) in determining the remuneration policy, take into account all factors which 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 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 the 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 long-term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;

- (d) recommend and monitor the level and structure of remuneration for the Chief Executive Officer and the Senior Management;
- (e) when determining Executive Director remuneration policy and practices, consider the UK Corporate Governance Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
- (f) 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;
- (g) not involve the Chair, any Executive Director or member of Senior Management in any decisions as to their own remuneration outcome;
- (h) establish remuneration schemes that promote long-term shareholding by Executive Directors that support alignment with long-term shareholder interests, with share awards to Executive Directors subject to a combined vesting and holding period of at least five years, and a formal policy for Executive Directors for both in employment and post-employment shareholding requirements encompassing both unvested and vested shares;
- (i) regularly review the on-going appropriateness and relevance of the remuneration policy;
- (j) approve the design of, and determine targets for, any Senior Management performance-related pay schemes operated by the Company and approve the total participant count and annual payments made under such schemes (in accordance with the UK Corporate Governance Code and associated guidance) and in relation to any such targets, determine, in conjunction with the Company's advisers, whether such targets have been satisfied;
- (k) in consultation with the ESG Committee where appropriate, determine appropriate ESG-related performance objectives for Executive Directors and provide an assessment as to the outcomes of the ESG-related performance objectives as at the end of the reporting period;
- (l) review the design of all equity incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards and the performance targets to be used;
- (m) determine the policy for, and scope of, pension arrangements for each Executive Director and each member of Senior Management, including ensuring that, for Executive Directors, only basic salary is pensionable and that the pension contribution rates for Executive Directors, or payments in lieu, are aligned with those available to the workforce;

- (n) 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;
- (o) within the terms of the agreed policy and in consultation with the Chair and/or the Chief Executive Officer, as appropriate, determine the total individual remuneration package of the Chair, Executive Directors and members of Senior Management, including base salary, pension and benefits, bonuses, incentive payments and share options or other share awards. The choice of financial-non-financial and strategic measures is important, as is the exercise of independent judgment and discretion when determining remuneration awards, taking account of Company and individual performance, and wider circumstances;
- (p) in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code and the Listing Rules and associated guidance;
- (q) when setting remuneration policy for directors, review and have regard to the remuneration trends across the Company or the Group especially when determining salary increases;
- (r) consider and determine the remuneration related provisions of the service agreements of the Executive Directors (in particular the term, any notice period (which shall not normally exceed one year) and compensation commitment on early termination);
- (s) approve any payment to, and/or any non-cash benefit to be provided to, or for the benefit of an Executive Director or member of Senior Management, including the secretary of the Company, and any other terms and conditions to apply on termination of that person's employment (once the decision to dismiss or reach agreement to terminate employment has been taken by the Board);
- (t) approve the design of, and determine targets for, any bonuses or incentive payments and share options or other share awards operated by the Company as appropriate for the Executive Directors or members of Senior Management. In relation to these incentives:
 - (i) approve all and any equity grants, options or awards (including phantom options or awards) to including consideration of the quantum of grants and vesting schedules;
 - (ii) set appropriate performance targets and / or performance underpins (as appropriate) in connection with such equity grants, options or awards;
 - (iii) determine, in conjunction with the Company's advisers, whether such performance targets have been satisfied;
 - (iv) approve any amendments to the plans prior to obtaining any necessary shareholder approval;
 - (v) exercise any discretion specified in the rules of the plans and generally oversee the administration of plans offered to Executive Directors and members of Senior Management;
- (u) consider and review the terms of any new equity (or equity-linked) plans;

- (v) oversee the introduction, administration and any major changes in, employee benefits structures throughout the Company or the Group, including all-employee share schemes operated by or to be established by the Company;
- (w) agree the policy for authorising claims for expenses from the directors;
- (x) be exclusively responsible for establishing the selection criteria, and for selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- (y) consider whether or not and to what extent the views of employees and shareholders should be obtained in relation to the formulation of the Executive Directors' remuneration policy and coordinate and participate in seeking, considering and adopting (if appropriate) those views;
- (z) obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations, 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 but within any budgetary restraints imposed by the Board;
- (aa) exercise independent judgment when evaluating the advice of remuneration consultants and other third parties (including shareholders) and not base pay structures solely on benchmarking to the market or on the advice of remuneration consultants; and
- (bb) work and liaise as necessary with all other Board committees, ensuring the interaction between Board committees and with the Board is reviewed regularly.

11. REPORTING RESPONSIBILITIES

- 11.1 The Committee Chair shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities (including the nature and content of its discussions, recommendations and actions to be taken) and shall also formally report to the Board on how it has discharged its responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Committee shall compile a report on its activities to be included in the Company's annual report to shareholders. The report should describe the work of the Committee and should include:
 - (a) an explanation of the strategic rationale for executive directors' remuneration policies, structures and any performance metrics;
 - (b) reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps;
 - (c) a description with examples of how the Committee has addressed the factors in Provision 40 of the UK Governance Code;
 - (d) whether the remuneration policy operated as intended in terms of the Company's performance and quantum and, if not, what changes are necessary;
 - (e) what engagement has taken place with the Company's shareholders and the impact this has had on remuneration policy and outcomes;

- (f) what engagement with the workforce has taken place to explain how executive remuneration aligns with the Company's wider pay policy; and
 - (g) to what extent discretion has been applied to remuneration outcomes and the reasons for the exercise of this discretion.
- 11.4 The Committee shall also ensure that provisions regarding disclosure of information, including pensions, as set out in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulation 2019 and the UK Corporate Governance Code, are fulfilled and that a report on the directors' remuneration policy and practices is included in the Company's annual report to shareholders and ensure each year that it is put to shareholders for approval at the AGM as necessary.
- 11.5 If the Committee has appointed remuneration consultants, such consultants should be identified in the annual report alongside a statement about any other connection they have with the Company or individual directors. In particular, the Committee should ensure that the remuneration report sets out the work done to satisfy the committee that the remuneration structure is appropriate, including the engagement that has taken place with shareholders and the extent of any discretion applied by the Committee. In accordance with the Companies (Miscellaneous Reporting) Regulations 2018, the Committee will report on the ratios of pay between the Chief Executive Officer and required percentiles of the Company's employees and also consider other relevant internal statistics and consider what, if any, external reporting to be provided on these statistics.
- 11.6 Through the Chair, the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.
- 11.7 The Committee shall have the authority to delegate to any subcommittees of the Committee any responsibilities of the full Committee and to independent non-executive directors of the Company and the Secretary such responsibilities of the full Committee, in each case to the extent permitted by applicable laws, rules or regulations.

12. OTHER MATTERS

- 12.1 The Committee shall:
- (a) have access to sufficient resources in order to carry out its duties, including access to the secretary of the Company for assistance as required;
 - (b) 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;
 - (c) annually review or participate in a review of its own performance, the results of which shall be presented to the Board and, at least once every two years, 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;
 - (d) work and liaise as necessary with all other Board committees; and
 - (e) give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non-listed companies and formation and operation of share schemes including but not limited to the provisions of the UK Corporate Governance Code and associated guidance and the requirements of the Listing Rules, Prospectus Regulation Rules and DTRs, guidelines published by the Association of British Insurers and the National Association of Pension Funds and any other applicable rules, as appropriate.

13. AUTHORITY

The Committee is authorised to:

- (a) seek any information it requires from any employee, contractor or consultant, of, or other provider of services to, the Group in order to perform its duties; and
- (b) obtain, at the Company's expense, independent legal or other professional advice on any matter it believes is necessary to do so, and determine compensation for such advisors (which will be paid by the Company) and retention terms, to oversee such advisors' work and to terminate any such advisors, provided that prior to any such appointment, retention and obtaining advice, the Committee must consider all factors relevant to the independence from management of such compensation consultants, legal counsel and other advisors, other than in-house legal counsel, including under any applicable laws, rules and regulations.

Initially adopted on 13 October 2017 and revised and adopted on 8 December 2023.