Terms of Reference of the Remuneration Committee

Spirax Group

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

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Definitions	
Articles	Articles of Association
Board	Board of Directors of Spirax Group Plc
CGIUK	Chartered Governance Institute UK & Ireland
Chair	Remuneration Committee Chair
Committee	Remuneration Committee
Company	Spirax Group Plc
Code	UK Corporate Governance Code 2024
FRC Board Guidance	FRC Corporate Governance Code Guidance

Spirax Group Plc
TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. Purpose

1.1 To assist the Board by overseeing the remuneration framework for directors, senior management and the wider workforce, ensuring that remuneration supports the Company's strategy, values, culture and long-term sustainable success, the ability to attract and retain high-quality leadership, promote fair and responsible reward, and align the interests of executives, shareholders and other stakeholders through transparent and consistent performance linked remuneration arrangements.

2. Authority

2.1 The Committee shall have access to sufficient resources to enable it to undertake its duties including access to the company secretariat for advice and assistance as required.[1]

2.2 The Committee may appoint remuneration consultants, obtain independent professional advice, and commission or purchase any reports, surveys and information which it deems necessary at the Company's expense, including remuneration data from organisations of comparable size and complexity to the Company. It may also invite external advisers to attend meetings. In exercising its responsibilities, the Committee shall apply independent judgement and not rely solely on benchmarking data or consultants' recommendations when determining remuneration structures.[2]

2.3 The Committee is authorised to investigate any matter within its Terms of Reference and the Group delegated authorities approved by the Board and is authorised by the Board to maintain outside legal or other professional advice on these matters at the Company's expense.

[1] Code Provision 16 and FRC Board Guidance paragraphs 80-86
[2] FRC Board Guidance paragraph 84

2.4 The Committee may obtain any information it requires from any employee of the Spirax Group as and when appropriate. All employees are expected to cooperate with requests made by the Committee.

3. Membership

3.1 The Committee shall consist of non-executive directors of the Company identified by the Board as independent in accordance with the requirements of the Code.[3]

3.2 Members of the Committee shall be appointed by the Board[4] (in accordance with the Company's Articles) on the recommendation of the Nomination Committee, in consultation with the Committee Chair.[5]

3.3 The Committee shall comprise at least three members, including a Committee Chair appointed by the Board. The Chair of the Board may be a member of the Committee (but not the Committee Chair) provided that they were independent on appointment. The Committee Chair must be an independent non-executive director with at least twelve months' prior experience of serving on a remuneration committee.[6]

3.4 Each member shall serve up to three years and may be reappointed for up to two further three-year terms, subject to continued Board determination of independence (other than for the Chair of the Board, if a member of the Committee).

3.5 In the absence of the Committee Chair (and/or an appointed alternate member), the Committee members present shall elect one of their number to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

[3] Code provision 32
[4] Code provision 32
[5] Best practice CGIUK model terms of reference May 2022
[6] Code provision 32

4. Secretary

4.1 The Company Secretary, or their nominee, shall act as Secretary to the Committee, (the **"Secretary"**) and will ensure that members receive information and papers in a timely fashion to enable full and proper consideration of matters.

4.2 The Secretary shall keep a record of Committee membership and any changes to it.

5. Conflicts of Interests

5.1 Each member of the Committee shall disclose in writing to the Committee and the Company Secretary as soon as the member becomes aware of the interest or the conflict:

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

5.1.2 any potential conflict of interest.

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

6. Meetings

6.1 No one other than the Committee Chair and members of the Committee is entitled to be present or vote at a meeting of the Committee. Other individuals and external advisors may be invited to attend all or part of any meeting as and when appropriate, at the invitation of the Committee.[7] The Committee should exercise independent judgement when receiving views from Executive Directors and other members of the Group Executive Committee, whose role in this regard should be clearly separated from their role within the

[7] FRC Board Guidance paragraph 93

business, with care taken to recognise and avoid conflicts of interest.[8]

6.2 The Chair of the Board (if not already a member of the Committee) and/or Group Chief Executive Officer shall be invited by the Committee to attend meetings to discuss the performance of the other Executive Directors and other members of the Group Executive Committee and to make proposals as necessary. The Committee may consult any other non-executive directors in its evaluation of the Chair of the Board and/or Group Chief Executive Officer.

6.3 The Committee shall meet as often as required and at least three times each year, to coincide with key dates within the financial reporting cycle. 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.

6.4 The quorum shall be the Committee Chair and one other member, or any three members present throughout the meeting in person or by telephone or by video conference. A duly convened meeting at which a quorum is present may exercise all powers and authorities delegated to the Committee.

6.5 Unless otherwise agreed, notice of each meeting, together with the agenda and supporting papers, shall be circulated to Committee members, attendees and all other Board members at least five working days before the meeting. Reasonable efforts shall be made to ensure members receive notice of the meeting and are able to attend. Outside formal meetings, the Committee Chair shall maintain regular dialogue with the Chair of the Board, Group Chief Executive Officer, Group Chief Financial Officer and Group HR Director as appropriate.

6.6 The Committee Secretary shall record the proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance.[9]

6.7 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and once approved, to all members of the Board unless it would be inappropriate to do so in the opinion of the Committee Chair.[10]

[8] Code Principles Q and R and Provision 35
[9] Best practice CGUK model terms of reference May 2022
[10] FRC Board Guidance paragraph 97

7. Engagement with Shareholders

7.1 The Committee Chair shall attend the Annual General Meeting of the Company and be available to answer questions from shareholders.[11] .

7.2 The Committee Chair should ensure that the Company maintains an appropriate dialogue as required by shareholders about the work of the Committee and should seek engagement with the Company's largest shareholders on significant matters related to the Committee's areas of responsibility.[12]

8. Duties

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

8.1 Remuneration policy and practices

8.1.1 Have delegated responsibility for determining the policy for directors' remuneration and setting remuneration for the Company's Chair, Executive Directors and the Group Executive Committee,[13] including retention related incentives. In carrying out these responsibilities, the Committee shall ensure that remuneration is determined in a fair and responsible manner, appropriately reflects individual contribution to the success of the Company, and is aligned with the Principles and Provisions of the Code.[14]

8.1.2 No Director, the Company Secretary or member of the Group Executive Committee shall be involved in any decisions as to their own remuneration outcome.[15]

[11] FRC Board Guidance Paragraph 102
[12] Code Provision 3 and FRC Board Guidance paragraph 325
[13] Code Provision 33. Footnote 4 to the Code defines 'senior management' for these purposes as the executive committee or the first layer of management below board level, including the company secretary. See also FRC Board Guidance paragraph 81
[14] See Code Principle P and Code Provisions 33, 39 and 40. See also FRC Board Guidance paragraphs 129, 319 to 321, 323 and 324
[15] Code Principle Q

8.1.3 The Committee shall establish remuneration schemes that promote long-term shareholding by Executive Directors that support alignment with long-term shareholder interests, with share awards subject to a total vesting and holding period of at least five years, and a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.[16]

8.1.4 The Committee shall design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to company purpose and values, and clearly linked to the successful delivery of the Company's long-term strategy Remuneration policies and practice should enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances (ensuring that such provisions are included in directors' contracts and/or other agreements which cover their remuneration).[17] The Committee shall review the effectiveness and operation of these malus and clawback provisions on an annual basis and oversee related disclosures.[18]

8.2. Pensions

8.2.1 The Committee shall determine pension arrangements for the Group Chief Executive Officer, other Executive Directors and members of the Group Executive Committee.

8.3. Share based remuneration and bonus arrangements

8.3.1 The Committee shall review the design of all share incentive plans for approval by the Board and, where required, shareholders. For any such plans the Committee shall:

8.3.1.1 determine the policy for the grant of awards to the Group Chief Executive Officer,

[16]Code Provision 36

[17] Code Principle P and Provision 37. See also FRC Board Guidance paragraphs 323 and 324

[18] Provision 38 of the Code states that the annual report on remuneration should include a description of its malus and clawback provisions, including: (i) the circumstances in which malus and clawback provisions could be used; (ii) a description of the period for malus and clawback and why the selected period is best suited to the organisation; and (iii) 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

other Executive Directors and members of the Group Executive Committee, to ensure that they are provided with appropriate incentives consistent with the Company's policy as currently in force;

8.3.1.2 approve all and any individual awards to the Group Chief Executive Officer other Executive Directors and members of the Group Executive Committee, including consideration of the quantum of grants and vesting schedules;

8.3.1.3 set appropriate performance targets in connection with the awards;

8.3.1.4 other than all-employee share plans, ensure that they contain the ability to withhold or recover sums or share awards to address poor performance, misconduct or error;

8.3.1.5 approve any amendments to the Plans prior to obtaining any necessary shareholder approval;

8.3.1.6 exercise any discretion specified in the rules of the Plans; and

8.3.1.7 generally oversee the administration of Plans offered to the Group Chief Executive Officer, other Executive Directors and members of the Group Executive Committee.

8.3.2 The Committee shall consider the basis for the cash bonus payable to the Group Chief Executive Officer, other Executive Directors and members of the Group Executive Committee and the criteria on which it should be established. The Committee shall arrange for the determination of the bonus outcome, based on whether and the extent to which performance targets have been satisfied.

8.4. Workforce remuneration and related policies

8.4.1 The Committee shall review workforce remuneration and related policies and the

alignment of incentives and rewards with culture,[19] taking these into account when setting the policy for executive director remuneration.

8.4.2 The Committee shall receive and review reports on, and input into any major changes in employee benefit structures throughout the Company or Group.

8.5. Service contracts and severance

8.5.1 The Committee shall determine the specific terms and conditions of employment contracts for the Chair of the Board, Group Chief Executive Officer, other Executive Directors and members of the Group Executive Committee, ensuring 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 realised.[20]

9. Reporting Responsibilities

9.1 The Committee Chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.[21]

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 should be available for Board discussion when necessary.[22]

9.3 The Committee shall approve the directors' remuneration report to be included in the Company's annual report each year, including;

9.3.1 the annual statement from the Chair of the Committee;

9.3.2 the annual report on remuneration setting out payments during the financial

[19] Code Provision 33 and FRC Guidance on Board Effectiveness 2018, paragraph 319
[20] Code Provision 40
[21] FRC Board Guidance paragraph 96
[22] FRC Board Guidance paragraph 96

year[23]; and

9.3.3 when required, the directors' remuneration policy in relation to future payments to the Directors and former directors.

9.4 The annual report shall include a description of the work of the Committee in line with the requirements of the Code, the Act, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended from time to time), the Listing Rules, the FCA's Disclosure, Guidance and Transparency Rules, applicable guidelines and other associated legislative or regulatory requirements. The Committee shall ensure that procedures are in place to comply with the following requirements:

9.4.1 that the directors' remuneration report is included in the company's annual report and put to shareholders by ordinary resolution for approval by an advisory vote at each AGM in accordance with the requirements of the Act;

9.4.2 that the directors' remuneration policy is put to shareholders by ordinary resolution for approval by a binding vote at an AGM or other company meeting when required, or when considered necessary or appropriate (for example in order to make a change to the policy) in accordance with the requirements of the Act;

9.4.3 that, where there is a significant vote against the directors' remuneration policy or the directors' remuneration report (i.e. more than 20%), the Committee takes any necessary actions to understand the reasons for the vote against and, where appropriate, publishes an explanation of the reasons and outlines what the Committee has done to address the dissent no later than six months after the shareholder meeting;[24] and

9.4.4 whenever a director leaves office, a statement is published on the Company's website

[23] Provision 38 of the Code states that the annual report on remuneration should include a description of its malus and clawback provisions, including: (i) the circumstances in which malus and clawback provisions could be used; (ii) a description of the period for malus and clawback and why the selected period is best suited to the organisation; and (iii) 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

[24] Code provision 4

as soon as reasonably practicable, in accordance with the requirements of section 430(2B) of the Act.

9.5. If the Committee has used remuneration consultants, the consultant should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors.[25]

10. Other Matters

The Committee shall:

10.1 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis.[26]

10.2 Give due consideration to all relevant laws and regulations, the provisions of the Code and published guidelines or recommendations regarding the remuneration of company directors and the formation and operation of share incentive plans, the requirements of the FCA's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules sourcebook, and any other applicable rules, as appropriate.

10.3 Ensure that a periodic evaluation of the Committee's own performance and effectiveness is carried out. [27]

10.4 At least annually, review its constitution and terms of reference and recommend any changes it considers necessary to the Board for approval.[28]

10.5 Make available on the Company's website these Terms of Reference, explaining the role and the authority delegated to it by the Board.[29]

APPROVED BY THE BOARD OF DIRECTORS ON 21 OCTOBER 2026

[25] Code Provision 35
[26] FRC Board Guidance paragraph 82
[27] FRC Board Guidance paragraph 172
[28] FRC Board Guidance paragraph 89
[29] FRC Board Guidance paragraph 89