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# The Weir Group PLC

## Terms of Reference of the Remuneration Committee

Effective 1 January 2025

## Constitution

1. The Board of Directors of the Company (the Board) hereby resolves to establish a Committee of the Board to be known as the Remuneration Committee (the Committee).

## Membership

2. Members of the Committee shall be appointed by the Board. All members of the Committee shall be independent Non-Executive Directors of the Company. The Committee shall consist of not less than three members. A quorum shall be two members and shall be authorised to exercise all powers vested in the Chair.
3. The Chair of the Committee shall be appointed by the Board from amongst the independent Non-Executive Directors. Before appointment as Committee Chair, the appointee will normally have served on a Remuneration Committee for at least 12 months. In the absence of the Chair of the Committee, the remaining 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.
4. The Chair of the Board may be a member of, but not chair, the Committee if they were considered independent upon appointment as Chair.
5. Appointments to the Committee are made by the Board on the recommendation of the Nomination Committee and in consultation with the Chair of the Committee. 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 (other than the Chair of the Board, if they are a member of the Committee) continue to be independent.
6. The Company Secretary, or their nominee, shall be Secretary of the Committee. It is their responsibility to ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the items on the agenda.

## Notice of meetings

7. 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.
8. Unless otherwise agreed with the Committee Chair, 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. The aim will be to forward the documentation no later than five days before the date of the meeting where reasonably possible to do so. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

## Attendance at meetings

9. No one other than the Committee members are entitled to attend a meeting, but others may be invited by the Committee to attend all or part of a meeting as and when appropriate and necessary.
10. A representative of the external advisers shall attend meetings at the invitation of the Committee as and when appropriate.
11. Other individuals such as the Chair, Chief Executive Officer, other Board members, Chief People Officer, Group Head of Reward or other senior managers shall attend by invitation of the members of the Committee as and when appropriate.
12. The Company shall report the frequency of, and attendance by members at, Remuneration Committee meetings in the annual report.

## Minutes of meetings

13. The Secretary shall minute the proceedings and resolutions to all Committee meetings, including the name of those present and in attendance.
14. Draft minutes of Committee meetings shall be agreed with the Committee Chair and circulated to all other members of the Committee for review in the board pack for the following Committee meeting. Once approved, the Secretary shall make the minutes available to all other members of the Board unless in the opinion of the Committee Chair, it would be inappropriate to do so.
15. The Secretary shall be responsible for ensuring that any action points from each meeting are followed up appropriately.

## Frequency of Meetings

16. Meetings shall be held not less than three times a year, and more often as required, to coincide with key dates in the Company's bonus and remuneration cycle.

## Authority

17. The Committee is authorised by the Board to
  - i. investigate any matter within its Terms of Reference;
  - ii. seek any information that it requires from any employee of the Company to perform its duties and all employees are directed to co-operate with any request made by the Committee; and
  - iii. obtain outside legal or independent professional advice on any matters within its terms of reference at the Company's expense.

## Duties

18. The duties of the Committee shall be:
  - i. to determine and agree with the Board the framework or board policy for the remuneration of the Chair of the Company, the Chief Executive Officer, and the members of the Group Executive ("the Executives") (to include, at a minimum, the first layer of management below Board level and the Company Secretary), managing any conflicts of interest in this process;
  - ii. to ensure that such a policy is designed to support the strategy and promote the long-term sustainable success of the Company, considering all factors which it deems necessary including legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code ("the Code") and associated guidance, the views of shareholders and other stakeholders, the risk appetite of the Company, long term and strategic goals, and pay and employment conditions across the Company. In particular, in determining such a policy, to ensure that the policy can attract, retain and motivate Executives and Executives are encouraged to enhance the Company's performance and are, in a fair and responsible manner, rewarded for their individual contribution to the success of the Company without paying more than is necessary;
  - iii. to establish remuneration schemes that promote long-term shareholdings by Executives that support alignment with long-term shareholder interests and, in normal circumstances, with such share awards subject to a total vesting and holding period of at least five years;
  - iv. to establish a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares;
  - v. to ensure that Executive remuneration is aligned to the Company's purpose and values (including the "We are Weir" strategic framework) and that it is clearly linked to the successful delivery of the Company's long-term strategy including environment, social and governance

objectives;

- vi. to review the ongoing appropriateness and relevance for the remuneration policy, using internal and external measures, including pay ratios and pay gaps as appropriate;
- vii. within the terms of the agreed policy, and in consultation with the Chair and/or Chief Executive, as appropriate to determine the total individual remuneration packages of each Executive and the Chair including, where appropriate, bonuses and long-term incentives;
- viii. in determining such packages and arrangements to give due regards to the Principles and Provisions of the Code and the UK Listing Authority's Listing Rules ("the Listing Rules") and associated guidance;
- ix. to review and approve the design of, and determine the measures and targets for, any annual performance-related pay schemes operated by the Company for the Executives, the individual payments to Executives and the overall amount payable;
- x. to review and approve the design of all share plans including their performance measures, targets and underpins;
- xi. to assess the extent to which performance targets and underpins for share incentive plans have been met;
- xii. to determine what awards will be made under any such plan, and, if so, the overall amount of such awards, and the individual awards to Executives;
- xiii. to ensure that remuneration schemes and policies enable the use of discretion to override formulaic outcomes;
- xiv. to ensure that Director 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 under appropriate specified circumstances,
- xv. to exercise independent judgement and discretion when authorising remuneration outcomes, taking into account Company and individual performance, and wider circumstances including workforce pay and conditions;
- xvi. to determine the policy for and scope of pension arrangements for the Executives;
- xvii. to determine on behalf of the Board and keep under review the shareholding guidelines, including any policies for post-employment shareholding requirements, for Executives;
- xviii. to review the terms of service agreements for each of the Executives from time to time and 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 recognized;
- xix. to review and note annually the remuneration trends and policies across the Company;
- xx. to note any major changes to employee benefits throughout the Company;
- xxi. to consider remuneration in other companies of comparable scale and complexity when making remuneration decisions for the Executives;
- xxii. to ensure that provisions regarding disclosure of information, including pensions, as set out in

the Large and Medium-sized Companies and Groups (Account and Reports) (Amendment) Regulations 2013, the Listing Rules and Paragraph 38 and 41 of the UK Corporate Governance Code (January 2024), are fulfilled;

- xxiii. to be responsible for establishing the selection criteria, selecting, appointing and settling the terms of reference for any remuneration consultants who advise the Committee, having full authority to commission any reports, surveys or information which it deems necessary at the expense of the company. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants;
  - xxiv. to liaise as necessary with other Board Committees as required, ensuring the interaction between Committees and with the Board is reviewed regularly;
  - xxv. to review and consider employee feedback on any issues relevant to the Committee and to ensure the employee voice is used to impact decisions and is taken into account, as appropriate, when determining Executive remuneration policy and/or pay and incentive outcomes;
  - xxvi. to ensure the effective engagement with shareholders in relation to remuneration and related policies and practices, ensuring their views are understood and considered as appropriate by the Committee and the Board;
  - xxvii. to review wider workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for Executive remuneration; and
  - xxviii. to review and have oversight of the CEO versus Employee pay ratios.
19. No Director or Executive should be involved in any decisions as to their own remuneration.
20. The remuneration of Non-Executive Directors should be a matter for the Chair of the Board and Executive members of the Board.

## Reporting Procedures

21. The Committee Chair shall report formally to the Board on all matters within its duties and responsibilities. The Committee will 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 where necessary.
22. The Committee shall ensure that provisions regarding disclosure of information as set out in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the Code are fulfilled, and that a report of the Company's remuneration policy and practices is included in the Company's annual report. The report shall be put to shareholders to vote upon in line with relevant regulations. The duties and results of the Committee's activities during the year shall also be disclosed in the annual report.
23. The Committee Chair, or in his/her absence an appointed deputy, shall attend the AGM and shall answer questions, through the Chair of the Board, on the Remuneration Committee's report and its responsibilities and activities. In addition, the Committee Chair will seek engagement with shareholders on significant matters related to the Committee's areas of responsibility where appropriate.
24. When, in the opinion of the Board, a significant proportion of votes have been cast against a resolution relating to remuneration at any general meeting, the Committee should, through the Chair of the Board, explain when announcing the results of voting what actions it intends to take to understand the reasons behind the vote result.
25. If the Committee has appointed remuneration consultants, the report of the Company's remuneration policy and practices should identify such consultants and state whether they have any other connection with the Company or individual Directors.
26. Through the Chair of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

## Other Matters

27. The Committee members shall conduct an annual review of their performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.
28. The Committee shall review its constitution and the Committee's Terms of Reference annually to ensure it is operating at maximum effectiveness and where necessary recommend any changes it considers necessary to the Board for approval.
29. The Committee shall be provided with appropriate and timely training, in both the form of an induction programme for new members and on an on-going basis for all members.
30. The Committee shall 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, the Institutional Shareholder Services and the Pensions and Lifetime Savings Association and any other applicable rules, as appropriate.
31. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Secretary for advice and assistance as required.