

# DIRECTORS' REMUNERATION POLICY

## REMUNERATION POLICY

The Directors' Remuneration Policy was approved by Shareholders at the AGM on 28 April 2022 and is intended to apply for three years. The Directors' Remuneration Policy is published on the Company's website at: <https://www.global.weir/siteassets/pdfs/investors/board-committees/weir-group-remuneration-policy-2022.pdf>.

## POLICY TABLE

### BASE SALARY

#### Purpose

To provide a salary that takes into account an individual's role, skills and responsibilities and enables the Group to attract and retain talented leaders.

#### Operation

Reviewed annually, with increases normally taking effect from 1 April. Salaries are set by reference to market practice for similar roles in companies of similar size and complexity. The Committee also takes into account personal performance, the wider employee context, and economic and labour market conditions.

#### Maximum value

While there is no stipulated maximum salary increase, increases will not normally be greater than the average salary increase for UK employees (or the relevant jurisdiction if an Executive Director is based outside the UK).

Different increases may be awarded at the Committee's discretion in instances such as where:

- there has been a significant increase in the size, complexity or value of the Group;
- there has been a change in role or responsibility;
- the individual is relatively new in the role and the salary level has been set to reflect this; and
- the individual is positioned below relevant market levels.

### PENSION

#### Purpose

To encourage long-term saving and planning for retirement.

#### Operation

A contribution into the Company's defined contribution pension plan or an equivalent cash allowance, or any other arrangement the Committee considers has the same economic benefit.

#### Maximum value

12% of base salary per annum in line with the maximum contribution rate available to the wider UK workforce from April 2022.

### BENEFITS

#### Purpose

To provide cost-effective benefits valued by individuals.

#### Operation

Benefits include, but are not limited to, healthcare, car allowance, liability insurance and death in service insurance.

Other benefits may be provided from time-to-time if considered reasonable and appropriate, such as relocation benefits or long-term disability insurance.

#### Maximum value

- Car allowance – no greater than £20,000 per annum
- Life assurance – 5 x base salary

The cost of providing insurance and healthcare benefits varies according to premium rates, so there is no formal maximum monetary value.

# DIRECTORS' REMUNERATION POLICY

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### ANNUAL BONUS

#### Purpose

To incentivise the delivery of our strategic plan and to reward the achievement of stretching performance on an annual basis.

To focus incentives on team performance to create collective accountability.

#### Operation

Measures, targets and weightings are reviewed and determined annually at the start of each financial year to ensure they are appropriate and support the Company's strategy.

30% of any bonus will be deferred into an award of Weir Group shares, which will normally be released after three years. The deferred bonus shares are not ordinarily subject to any further conditions. Malus and clawback provisions may be applied in the event of:

- a material misstatement in the financial statements of the Group or a subsidiary/Division;
- the discovery that information used to determine an award was materially incorrect, mistaken or misrepresented;
- gross misconduct (leading to termination for cause);
- a material corporate failure in any Group company or a relevant business unit; or
- reputational damage causing significant damage to the Company and clearly attributable to the individual.

#### Maximum value

- CEO 150% of base salary
- CFO 125% of base salary

#### Performance assessment

Annual bonuses will be subject to such targets as the Committee considers appropriate each year.

Financial measures will normally be used to calculate at least 50% of the bonus, with the remainder being based on strategic, ESG and/or personal objectives.

The performance targets for financial measures are set in the context of the internal budget taking into account other relevant factors, such as external forecasts.

All financial measures are calibrated with payment on a straight-line basis between threshold (up to 20% of maximum bonus payable), stretch, and any points in between.

Payment of any non-financial measures component will be subject to a discretionary underpin (including individual performance).

In exceptional circumstances, the Committee has discretion to alter the measures and/or targets during the performance period if it believes the original measures and/or targets are no longer appropriate.

The Committee has discretion in exceptional circumstances to amend the payout level if it believes this will better reflect the Company's underlying performance.

### SHARE REWARD PLAN (SRP)

#### Purpose

To encourage and enable substantial long-term share ownership. To reward the delivery of sustainable value over time.

#### Operation

The Committee may grant awards under the SRP on an annual basis.

Awards will vest at the end of a three-year period, subject to continued employment and assessment of the underpin.

Following vesting, an additional two-year holding period will also apply, such that vested shares are released five years from grant. Awards will normally be in the form of conditional share awards, but may be awarded in other forms if appropriate (e.g. as nil cost options).

Malus and clawback (applicable for three years from vesting) provisions may be applied in the event of:

- a discovery of a material misstatement in the audited consolidated accounts of the Group or audited accounts of any Group company;
- action or conduct that can be considered as gross misconduct;
- events or behaviour that have a significant detrimental impact on the reputation of any Group company, and can be attributed to the individual award holder;
- the information used to determine the number of shares over which an award is granted, or vests is found to be materially incorrect, mistaken or misrepresented to the advantage of the award holder; and
- a material corporate failure in any Group company or a relevant business unit.

#### Maximum value

The Committee will determine the grant level each year. The maximum value of award that may be granted in respect of a financial year is:

- CEO 125% of base salary
- CFO 100% of base salary

The Committee has the ability to adjust award levels at the time of grant to address, if relevant, concerns about the potential for perceived 'windfall gains'.

#### Performance assessment

No performance measures are associated with the awards.

The underpin will consist of a 'basket' of pre-determined key metrics that will best reflect overall business health over the vesting period.

For each metric, a clearly defined and, where relevant, quantifiable 'threshold' will be set at the time of grant. Thresholds will be disclosed on a prospective basis.

Prior to vesting, if any of the thresholds have not been met, it would trigger the Committee to consider whether a discretionary downward adjustment was required.

In addition, the Committee will also have general discretion to reduce vesting levels if it believes this will better reflect the underlying performance of the Company over the period.

# DIRECTORS' REMUNERATION POLICY

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### SHAREHOLDING REQUIREMENTS

#### Purpose

To ensure Executive Directors build and hold a significant shareholding long-term.

To align Executive Directors' interests with Shareholders.

#### Operation

Executive Directors are required to build up a shareholding in the Company over a five-year period.

All beneficially owned shares, deferred shares and unvested restricted share awards count towards an individual's shareholding (on a net of tax basis where relevant).

Until the shareholding requirement is met an Executive Director must retain 50% of net restricted share awards, performance share awards, and deferred bonus award shares.

Shareholding requirements continue post-employment:

- The requirement will fall to half the normal level on leaving.
- The requirement would then taper down to zero after two years.

#### Shareholding guidelines

- CEO 400% of base salary
- CFO 300% of base salary

### ALL EMPLOYEE SHARE PLANS

#### Purpose

To enable long-term share ownership for all employees, and to increase alignment with Shareholders.

To provide one common benefit to all employees.

#### Operation

Executive Directors may be entitled to participate in all-employee share plans on the same basis as all other employees.

#### Maximum Value

The maximum value will be in line with the maximum value for all other employees.

### CHAIR AND NON-EXECUTIVE DIRECTORS' FEES

#### Purpose

To attract and retain experienced and skilled Non-Executive Directors and to reflect the responsibilities and time commitment involved.

Fees are reviewed by reference to companies of similar size and complexity, economic and labour market conditions.

Additional fees may be made available to Non-Executive Directors, where appropriate, to reflect any additional time commitment or duties.

The Company may reimburse Non-Executive Directors for any business-related costs (such as travel and accommodation costs incurred in connection with their duties) and any associated tax on these costs.

#### Maximum value

Fees as prescribed in the Articles of Association.

Planned increases in fees will take into account general increases across the Group, along with market practice.

### CHOICE OF PERFORMANCE MEASURES AND TARGETS

The performance measures selected for the annual bonus awards and the performance underpins selected for the restricted share awards are set on an annual basis by the Committee, to ensure that they remain appropriate to reflect the priorities for the Company in the year ahead. The annual bonus plan measures are chosen to align to our reward principles and the delivery of our strategy. The restricted shares performance underpins are chosen to align with our key underlying drivers of value. The targets for the performance measures are set taking into account a number of factors, including the Company's annual operating plan, strategic priorities, the economic environment and market conditions and expectations.

### DIVIDENDS

Executive Directors are entitled to receive the value of dividends payable on any deferred bonus awards under the annual bonus or awards under the SRP up to the point of vesting. This value may be calculated assuming that the dividends were notionally reinvested in the Company's shares.

### COMMON AWARD TERMS

Awards granted under the share plans may be adjusted in the event of any variation of the Company's share capital or any demerger, special dividend or other event that may affect the current or future value of the awards.

### LEGACY ARRANGEMENTS

The Committee reserves the right to make any remuneration payments and/or payments for loss of office, this includes exercising any discretions available to it in connection with such payments (notwithstanding that they are not in line with this policy) where the terms of payment:

- came into effect before this policy was approved and implemented (including where such payments are in line with a previously approved policy); and
- were agreed at a time when the individual was not a Director of the Company and, in the opinion of the Committee, the payment is not in consideration for the individual becoming a Director.

This includes the vesting of any awards granted under the SRP.

# DIRECTORS' REMUNERATION POLICY

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### RECRUITMENT POLICY

The Committee's approach when considering the overall remuneration arrangements in the recruitment of an Executive Director is to take account of all relevant factors, such as the individual's remuneration package in their prior role and the market positioning of the package against the local market. We will not pay more than necessary to facilitate the recruitment.

Component	Policy and operation
<b>Remuneration</b>	The salary level, benefits, pension, annual bonus and annual SRP participation will be in line with the policy table, including the maxima shown.
<b>Buy-out awards</b>	<p>The Committee will consider whether any buy-out awards are reasonably necessary to facilitate the recruitment of an Executive Director, and if there are any other compensation arrangements that would be forfeited on leaving the previous employer.</p> <p>The Committee will seek to structure any buy-out award taking into account relevant factors, including any performance conditions, the form in which it is to be paid and the timeframe of the award.</p> <p>Buy-out awards will generally be made on a like-for-like basis and will be no more generous in quantum than the awards being forfeited.</p>
<b>Other</b>	<p>The Committee may agree to meet certain mobility or relocation costs, including but not limited to, temporary living and transportation expenses. The Committee may also agree to meet the costs of relevant professional fees.</p> <p>Reasonable expenses and associated tax incurred as part of their recruitment will be reimbursed to the Executive Director.</p>
<b>Internal promotion to Executive Director</b>	The Committee will honour existing remuneration arrangements made prior to and not in contemplation of promotion. The arrangements will continue to pay out in accordance with the respective rules and guidelines.

### SERVICE CONTRACTS AND POLICY ON PAYMENT OF LOSS OF OFFICE

It is the Committee's policy that there should be no element of reward for failure. The Committee's approach when considering payments in the event of termination is to take account of the individual circumstances including the reason for termination, contractual obligations of both parties as well as incentive plan and pension scheme rules.

If an Executive Director's service contract is terminated other than in accordance with its terms, the Committee will give full consideration to the obligation and ability of the individual to mitigate any loss they may suffer as a result of the termination of their contract.

Service contracts and letters of appointment are available for inspection at the Company's registered office.

Provision	Policy
<b>Unexpired term</b>	The unexpired term of Executive Directors' contracts is 12 months. Executive Directors have rolling contracts.
<b>Change of control</b>	No provisions in service contracts relate to a change of control. Refer to the relevant sections below for annual bonus and share plans provisions.
<b>Notice period</b>	Current Executive Directors have 12 months' notice by either the Company or the individual. This would be the normal policy for new appointments.
<b>Contractual payments</b>	<p>Termination with contractual notice or termination by way of payment in lieu of notice (PILON) at the Company's discretion.</p> <p>Neither notice nor PILON will be given in the event of gross misconduct.</p> <p>The calculation of PILON will be at 1.2 x gross salary to reflect the value of salary and contractual benefits. PILON will be made where circumstances dictate that Executive Directors' services are not required for their full notice period. Contracts also allow for phased payments on termination which provides for mitigation, including remuneration from alternative employment.</p> <p>The Committee may authorise:</p> <ul style="list-style-type: none"> <li>• payments for statutory entitlements in the event of termination;</li> <li>• reasonable settlement of potential legal claims; and</li> <li>• payment of reasonable reimbursement of professional fees in connection with such agreements.</li> </ul>
<b>Annual bonus and deferred bonus awards</b>	<p>At the discretion of the Committee, where an individual leaves as a Good Leaver (as defined below), a pro-rated payment (payable in such proportions of cash and shares as the Committee may determine) may be earned if employment ceases during the year. Any payment will be subject to the assessment of bonus targets.</p> <p>Dismissal for gross misconduct – all entitlements will be forfeited, including any unvested deferred bonus awards.</p> <p>All other departure events – existing rights are normally retained in respect of any deferred bonus awards. Vesting will take place at the normal vesting date unless the Committee determines otherwise.</p> <p>Malus and clawback provisions will continue to apply.</p> <p>Change in control – any bonus will normally be determined by the Committee up to the expected date of change in control taking into account both performance and the period of the financial year which has elapsed. Deferred bonus awards will vest on change in control.</p>

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<b>Outstanding share plan awards</b>	<p>The treatment of awards will be governed by the rules of the relevant plan.</p> <p>Where an individual leaves as a Good Leaver (which includes for reasons of death, retirement, ill-health, injury or disability, redundancy, the sale of employing company or business, or other circumstances that the Committee determines) unvested awards will normally continue and vest on the normal vesting date, taking into account the assessment of any applicable underpins and pro-rated to reflect the proportion of the vesting period which has elapsed.</p> <p>The Committee may exercise its discretion to apply a different pro-rata methodology or to dis-apply time pro-rating completely.</p> <p>Awards subject to a holding period will continue to be subject to that holding period as if employment had not ceased, except in the case of death, or in such other circumstances as the Committee may determine, when the holding period will end at that time.</p> <p>The rules provide flexibility that in the case of the participant's death (or such other exceptional circumstances as the Committee considers appropriate), awards will vest (and awards in the holding period will be released) at the time of death/leaving.</p> <p>If an individual leaves for any reason other than as a Good Leaver, any unvested awards will lapse on termination.</p> <p>Awards will remain subject to the operation of malus and clawback provisions.</p> <p>Change in control – the extent to which unvested awards vest will be determined by the Committee, taking into account the performance conditions and/or underpins as applicable and the proportion of the vesting period that has elapsed. Alternatively, awards may be exchanged for new equivalent awards in the acquiring company. The holding period applicable to any awards will end at the time of change in control.</p>
<b>All employee share plans</b>	The rules of any all-employee share plans will apply in the event of termination of employment or change in control.
<b>Relocation</b>	The Committee may determine that share plan awards or deferred bonus awards should vest early if an Executive Director is relocated to a country where they would suffer a tax or regulatory disadvantage by holding the award.
<b>Chair and Non-Executive Directors</b>	<p>Non-Executive Directors have letters of appointment. The letters do not contain any contractual entitlement to a termination payment and the Non-Executive Directors can be removed in accordance with the Company's Articles of Association.</p> <p>Notice periods are six months from the Company and no notice from the individual.</p> <p>There are no change in control provisions in the letters of appointment.</p>

### SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

The following table sets out the dates of each of the Executive Directors' service agreements, the dates of the Non-Executive Directors' letters of appointment and the date on which the Non-Executive is subject to election or re-election. Directors are required to retire at each Annual General Meeting and seek re-election by Shareholders.

<b>Executive Director</b>	<b>Contract commencement date</b>	<b>Unexpired term (months)</b>
Jon Stanton	28 July 2016	12
John Heasley	3 October 2016	12
<b>Non-Executive Director</b>	<b>Date of appointment</b>	<b>Date when next subject to election/re-election</b>
Barbara Jeremiah	1 August 2017	27 April 2023
Dame Nicola Brewer	21 July 2022	27 April 2023
Clare Chapman	1 August 2017	27 April 2023
Engelbert Haan <sup>1</sup>	18 February 2019	n/a
Mary Jo Jacobi <sup>2</sup>	1 January 2014	n/a
Tracey Kerr	21 July 2022	27 April 2023
Ben Magara	19 January 2021	27 April 2023
Sir Jim McDonald	1 January 2015	27 April 2023
Srinivasan Venkatakrisnan	19 January 2021	27 April 2023
Stephen Young	1 January 2018	27 April 2023

<sup>1</sup> Engelbert Haan will step down from the Board following the AGM on 27 April 2023.

<sup>2</sup> Mary Jo Jacobi will step down from the Board following the AGM on 27 April 2023.

### CONSIDERATION OF CONDITIONS ELSEWHERE IN THE GROUP

The reward principles set out earlier in the Directors' Remuneration Report reflect the reward principles that apply to all employees across the Group. Although these principles apply across the Group, given the size of the Group and the geographical spread of its operations, the way in which the principles are implemented in practice varies. For example, annual bonus deferral applies at the more senior levels within the Group and participation in restricted share awards is typically limited to Senior Management and executives. All employees are eligible to participate in our global all-employee share plan, Weir ShareBuilder, and we offer competitive and fair rates of pay across the organisation.

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### CONSIDERATION OF EMPLOYEE ENGAGEMENT

Meaningful engagement with customers and employees plays a crucial role in both innovation and the continuous improvement of the Weir business.

The Board recognises the importance of culture and effective employee relations in the creation of good work and good workplaces. The role of the Board therefore is to ensure that mechanisms are in place, and monitored, for effective employee engagement and that there is governance of the process for management standards and training to continue to assure ourselves of the leadership skills required to do engagement well. Given the multi-national nature of our business, the management team also recognise that their approaches to insight-gathering and dialogue need to reflect country practices so that engagement can be led well locally and be mindful of circumstances and culture.

As a Board, we recognise the importance of a Group-wide framework for employee dialogue, which is why our continued focus is to ensure that we broaden our Group-wide practices for gathering workforce views and engaging in meaningful dialogue and for measuring and further strengthening employee engagement. Monitoring of progress will take place at the Board in the form of an annual employee insights report.

We have in place a variety of employee voice channels, such as our global employee engagement survey and our 'Tell the Board' sessions, which provide employees with an opportunity to provide feedback on any topics that interest or concern them. Outputs from these channels are provided to the Board, and any remuneration concerns would be flagged to the Remuneration Committee for separate consideration. For the first time, we have also included a specific reward question in our latest employee engagement survey and the results we receive in early 2023 will also help us shape our reward agenda and actions.

### CONSIDERATION OF SHAREHOLDER ENGAGEMENT

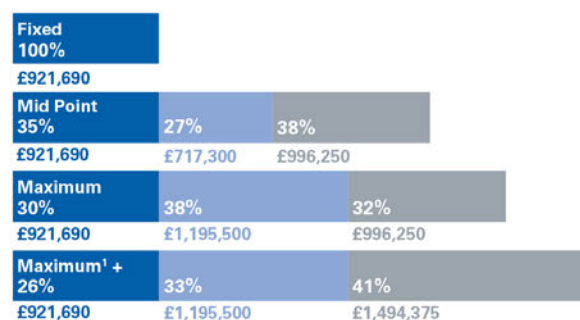
Shareholders and their representative bodies played a very active role in the development of our current remuneration policy, which was approved by Shareholders at the 2022 AGM.

The Committee remains committed to ongoing dialogue and will seek input from Shareholders when considering any further changes.

### PAY AT WEIR

#### APPLICATION OF REMUNERATION POLICY

##### JON STANTON



<sup>1</sup> Maximum + 50% share price increase.

■ Fixed pay ■ Annual bonus ■ SRP

##### JOHN HEASLEY



<sup>1</sup> Maximum + 50% share price increase.

■ Fixed pay ■ Annual bonus ■ SRP

### NOTES TO APPLICATION OF REMUNERATION POLICY CHARTS

The above chart illustrates the potential total remuneration for the Executive Directors in respect of the application of our Remuneration Policy.

Element of package	Assumptions used
<b>Fixed Pay</b>	Base salary: effective 1 April 2023 Benefits: benefits as disclosed in single total figure of remuneration for 2022 Pension: 12% cash allowance, which is also the maximum rate available to the wider UK workforce from April 2022
<b>Annual Bonus</b>	Minimum: no bonus is earned Mid-point: 60% of maximum is earned (being the mid-point under the annual bonus between the threshold pay-out of 20% and maximum pay-out) Maximum: 100% of maximum is earned
<b>SRP</b>	Minimum: no vesting Mid-point: 100% vesting Maximum: 100% vesting Maximum +50%: As above for maximum performance but includes share price appreciation in respect of the SRP of 50%