



DCC plc

Terms of Reference for the Remuneration Committee

April 2024

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The Remuneration Committee (the Committee) is a committee of the Board of Directors of DCC plc (the Board), from which it derives its authority and to which it regularly reports.

1. Constitution

- 1.1 The Committee is established by the Board to carry out the duties in the manner and with the authority set out herein.

2. Remit

The remit of the Committee is as follows:

- 2.1 to ensure that remuneration policy and practice is aligned to the Company's purpose and values and is clearly linked to delivery of the Company's long-term strategic goals.
- 2.2 to determine and agree with the Board the policy for the remuneration of the Chief Executive, other executive Directors and certain Group and divisional senior management (as determined by the Committee). In this regard the Committee shall give full consideration to relevant legal and regulatory requirements, including but not limited to the provisions of the UK Corporate Governance Code and associated guidance, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, legislation in respect of remuneration reporting, as well as guidelines published by the Investment Association and the Pensions and Lifetime Savings Association and any other applicable rules, as appropriate.
- 2.3 to determine the remuneration packages of the Chair, Chief Executive, other executive Directors and senior Group and divisional executives, including salary, bonuses, pension rights and compensation payments. The Committee shall consult the Chief Executive about their proposals relating to the remuneration of the other executive Directors and senior executives and shall ensure that risk is properly considered in the determination of remuneration packages. The remuneration of the non-executive Directors is determined by the Chair and the Chief Executive for approval by the Board;
- 2.4 to oversee remuneration structures for other Group and subsidiary senior management;
- 2.5 to review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration.

- 2.6 to nominate executives for inclusion in the Company's long-term incentive schemes, to grant options or awards under these schemes, to determine the criteria for the vesting of options or awards, to determine if these criteria have been met and to make any necessary amendments to the rules of these schemes;
- 2.7 to develop a formal policy for post-employment shareholding requirements, encompassing shares, vested award and unvested awards;
- 2.8 to ensure that contractual terms on termination or redundancy, and any payments made, are fair to the individual and the Company;
- 2.9 to be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 2.10 to obtain reliable, up to date information about remuneration in other companies of comparable scale and complexity;
- 2.11 The Committee shall, through the Chair of the Board and the Chair of the Remuneration Committee, as appropriate, ensure the Company maintains contact as required with its principal shareholders about remuneration and has engagement with the workforce to explain how executive remuneration aligns with wider company pay policy;
- 2.12 to agree the policy for authorising claims for expenses from the Directors; and
- 2.13 to work and liaise as necessary with all other Board Committees.

3. Engagement with shareholders

- 3.1 The Chair of the Committee shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.
- 3.2 The Chair of the Committee shall seek engagement with shareholders, when necessary, on significant matters within the Committee's area of responsibility.

4. Reporting

- 4.1 The Chair of the Committee shall report to the Board following each meeting of the Committee.
- 4.2 The Committee shall approve the report of the Company's remuneration policy and practices to be included in the Company's Annual Report. The Committee shall ensure that disclosure of remuneration is clear and takes account of the matters set out in provisions 40 and 41 of The UK Corporate Governance Code.

4.3 If the Committee has appointed remuneration consultants, the Annual Report should identify such consultants and state whether they have any other connection with the Company or individual Directors.

5. Membership

5.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Governance Committee, in consultation with the Chair of the Committee.

5.2 The Committee shall comprise at least three independent non-executive Directors of the Company. In addition, the Chair of the Board can only be a member if they were independent on appointment and cannot chair the Committee.

5.3 The Chair of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Governance Committee. Before appointment as Chair of the Remuneration Committee, the appointee 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 themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.

5.4 A quorum shall be two members.

5.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the Director remains (other than the Chair of the Board, if a member) independent.

5.6 The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

6. Meetings

6.1 The Committee shall meet at least four times a year and otherwise as required.

6.2 Only members of the Committee have the right to attend Committee meetings. The Chief Executive and the Chief People Officer will normally attend meetings to discuss proposals relating to the remuneration of other executive Directors and senior executives. Other executives and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

6.3 The Group Secretary shall act as Secretary to the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

6.4 The Committee will be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

6.5 Minutes of Committee meetings shall be circulated promptly by the Secretary to all members of the Committee and, once agreed, to all members of the Board, with such exceptions or redactions as the Committee deems appropriate.

7. Authority

7.1 The Committee is authorised by the Board to seek any information it requires from any director, officer or employee of the Company in order to perform its duties.

7.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice.

8. Other Matters

8.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

8.2 The Committee shall, at least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

8.3 The Committee shall give full consideration to relevant legal and regulatory requirements, including but not limited to the provisions of the UK Corporate Governance Code and associated guidance, the requirements of the FCA's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules sourcebook, legislation in respect of remuneration reporting, and any other applicable rules, as appropriate.