Terms of Reference of Board Sub Committees: Board Remuneration Committee

September 2026

Contact: Lizzie Souter

Document Control

The content and any amendments of this document are the responsibility of the Financial Controller and Secretary.

Version	Date	Author	Changes made
1.0	June 2018		Full Review
2.0	October 2018		Manual divided into individual sections
3.0	November 2019		Full Review
4.0	September 2020		Full Review
5.0	May 2021		Annual Review
6.0	September 2022		Annual Review
7.0	November 2023		Annual Review
8.0	June 2024		Wholesale review of the terms of reference to bring up to date and ensure fully comprehensive in line review of the Board Risk Committee Terms of Reference and work on the Global Policy List.
9.0	September 2025	Lesley Vernon	Annual Review
10.0	September 2026	Lesley Vernon	Annual review, including clarification of the Committee's delegated remuneration authorities, incorporation of the Group-wide application wording and document ownership details, and alignment with the updated Terms of Reference template and Business Planner.

Contents

Document Ownership
Constitution 4
Role and responsibilities 4
Objective 4
Duties and terms of reference 5
Membership 5
Quorum 7
Frequency of, and attendance at, meetings 7
Notice of meetings 8
Voting arrangements 8
Minutes of meetings 9
Annual General Meeting ("AGM") 9
Reporting responsibilities 9
General matters 9
Authority 9
Business Planner 10

Document Ownership

Control	Owner
Accountable Executive / Risk Owner	**Lesley Vernon, Chief Engagement Officer**
Accountable Manager / Risk Controller	**Debbie Pickering, Head of People**
Reviewing Committee	**Remuneration Committee**
Approving Committee	**Board**
Date of last approval	**September 2025**
Minimum review frequency	**Annual**

Constitution

The Board of Directors of Market Harborough Building Society has resolved to establish a Committee of the Board to be known as the Board Remuneration Committee ("RemCo").

These Terms of Reference apply to Market Harborough Building Society and its subsidiaries, including Nestra Lending Limited, to the extent that matters relating to those entities fall within the Committee's remit. References to "the Society" within these Terms of Reference include Market Harborough Building Society and, where applicable, its subsidiaries.

The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.

The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members or the Financial Controller & Society Secretary, including without limitation, the establishment of sub-committees which are to report back to the Committee.

Role and responsibilities

To lead the process for determining the policy for executive director remuneration and setting remuneration for the chair, executive directors and senior management. To review the remuneration of the non-executive directors teams. To review related policies

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

Objective

To determine the appropriate remuneration of the Chair and Executive Directors and other Executives and to make recommendations to the Board concerning the remuneration of NEDs and other colleagues as outlined in the section below.

Duties and terms of reference

The Committee shall carry out the following duties for the Society as appropriate:

a) to review at least annually the Society's Remuneration Policy Statement and approve appropriate amendments;

b) to make remuneration decisions and recommendations having considered all implications for risk and risk management;

c) to take into account any matters raised by those with overall responsibility for the Compliance and Risk Functions and/or Internal Auditors concerning the implications of the Policy for risk and risk management. In carrying out this review the Committee will have regard to the requirements of the PRA and FCA Handbooks;

d) to make recommendations to the Board concerning the remuneration of non-executive directors;

e) to determine the terms and conditions of service of the Chair;

f) to determine the terms and conditions of service* of the Chief Executive after consultation with the Board Chair;

g) to determine the terms and conditions of service* of any other Executive Directors after consultation with the Board Chair and the Chief Executive;

h) to determine the terms and conditions of service* of any other member of the Executive team after consultation with the Chief Executive;

i) to consider proposals from the Executive and, where appropriate, to determine the terms and conditions of service for all other managers and colleagues ;*

j) to review calculations and approve payments for colleagues arising under general colleague incentive schemes or Executive incentive schemes;

k) to review the terms of incentive schemes agreed by the Executive for individual groups of colleagues;

l) to consider any other topics as defined by the Board from time-to-time;

m) to report annually on its work including the following (in line with the Corporate Governance Code):

- an explanation of the strategic rationale for executive directors' remuneration

- reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps;
- a description, with examples, of how the remuneration committee has addressed the factors of clarity, simplicity, risk, predictability, proportionality and alignment to culture;
- whether the remuneration policy operated as intended in terms of company performance and quantum, and, if not, what changes are necessary;
- what engagement has taken place with shareholders and the impact this has had on remuneration policy and outcomes;
- what engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy; and
- to what extent discretion has been applied to remuneration outcomes and the reasons why.

n) to periodically, and at least annually, carry out a Performance Review of the Committee's own performance.

o) To consider the Committee's responsibilities in relation to Consumer Duty, specifically focussing on the Products and Services and Fair Value outcomes.

* Terms and conditions of service involves consideration of (but is not confined to): rates of pay, pensions, profit-related pay schemes, any incentive schemes, permanent health insurance schemes, private medical schemes and any other tangible or non-tangible benefit.

Group or individual	Recommendation / consultation	Approval / determination authority
Non-Executive Directors	Committee recommends remuneration to the Board.	Board approves.
Board Chair	Committee considers relevant input as appropriate.	Committee determines terms and conditions of service.
Chief Executive	Committee consults with the Board Chair.	Committee determines terms and conditions of service.
Other Executive Directors	Committee consults with the Board Chair and Chief Executive.	Committee determines terms and conditions of service.
Other Executive team members	Committee consults with the Chief Executive.	Committee determines terms and conditions of service.

All other managers and colleagues	Executive makes proposals to the Committee.	Committee determines terms and conditions of service, where appropriate.

In taking remuneration decisions, the Committee will have regard to the input of colleagues (where appropriate) and to the potential risks to the Society and its members associated with those decisions. The Committee consider the clarity and simplicity of all remuneration arrangements.

Membership

The Committee shall be appointed by the Board from amongst the Non-Executive Directors, and shall comprise of no less than two Non-Executive Directors, of whom at least one shall also be a member of the Audit and Compliance Committee or the Risk Committee.

The Board shall appoint the Chair of the Committee but this will not be the Chair of the Board. The Chair of the Committee will ideally have served as least 12 months on a Remuneration Committee prior to appointment as Chair of the Committee. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present at a meeting shall elect one of their number present to chair the meeting.

The Committee Chair shall review membership of the Committee annually as part of the annual performance evaluation of the Committee and ensure Committee members have appropriate knowledge, skills and experience. The Chair should also consider whether RemCo members have sufficient time to deliver their responsibilities.

The Chief Executive will normally attend meetings and the Company Secretary, or their nominee, shall act as Secretary to the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

Quorum

The quorum necessary for the transaction of business at a Committee meeting shall be two Non-Executive Directors, present in person or by audio or video conference.

A duly convened Committee meeting 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.

Frequency of, and attendance at, meetings

The Committee shall meet at least twice per year with such additional ad hoc meetings as Committee members may deem fit.

Only Committee members have the right to attend and vote at Committee meetings. However, the Chief Executive Officer, Chief Financial Officer, Chief Customer Officer, Chief Risk Officer, Chief Lending Officer, Chief Engagement Officer and Financial Controller & Society Secretary may be invited to attend and address meetings of the Committee and other non-members may be invited to attend all or part of any meetings as and when appropriate and necessary.

The Secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

Meetings of the Committee may be conducted when the members are physically present together or in the form of either video or audio conferences.

Notice of meetings

Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and relevant papers, shall be forwarded to each member of the Committee, any other person required to attend and all other Non-Executive Directors, no later than three working days before the date of the meeting.

Voting arrangements

Each member of the Committee shall have one vote on matters under consideration. Votes may only be cast by members who are present at the meeting, whether in person or via audio or video conferencing.

In circumstances where a decision is required and a Committee meeting cannot be convened within the necessary timeframe, voting may take place via the Rapid Decision Protocol (RDP). This may include written resolutions circulated and agreed by email, provided all voting members have had the opportunity to participate.

If a matter that is considered by the Committee is one where a Committee member, directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

Except where he or she has a personal interest, the Committee Chair shall have a casting vote.

The Committee Chair may ask attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

Minutes of meetings

The Society Secretary (or their nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. A resolution in writing signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

The minutes of meetings of the Committee will be circulated to all members of the Committee, and the Chair will report formally to the Board on its deliberations, decisions and recommendations at the Board meeting following each Committee meeting.

Annual General Meeting ("AGM")

The Committee Chair shall attend the AGM to answer any questions from members on the Committee's activities and areas of responsibility.

Reporting responsibilities

The Committee shall:

- Report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed. This may be at the next appropriate Board meeting or by Rapid Decision Protocol (RDP) if there isn't a Board meeting within the required time window for decision.
- Make available to members these terms of reference by placing them on the Society's website.

General matters

The Committee shall:

- Consider other duties determined by the Board from time to time.
- Have access to sufficient resources in order to carry out its duties, including access to the Society Secretary as required.
- Be provided with appropriate and timely training, both in the form of an induction programme for new members and on ongoing basis for all members.
- Give due consideration to all applicable laws and regulations.
- Work and liaise as necessary with all other Board Committees.
- At least annually, carry out a Committee Self-Evaluation exercise, known as a performance review, and review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Authority

The Board authorises the Committee to:

- Carry out all duties set out in these terms of reference, to have unrestricted access to the Society's documents and information and to obtain, at the Society's expense, appropriate external legal or other independent professional advice on any matter within its terms of reference as it considers necessary.
- Seek any information if requires from any colleague of the Society to perform its duties.
- Secure the attendance of external advisers or third parties with relevant experience and expertise at its meetings if it considers this necessary, at the Society's expense.
- Call any colleague to be questioned at a Committee meeting as and when required. All colleagues are directed to co-operate with any request made by the Committee.

Business Planner

The Committee shall document the Committee's timetable of business stating the key documents that are for decision and those that are for information at each of its meetings.

MEETING ONE	MEETING TWO
KEY DOCUMENTS (FOR DECISION): -Annual review of colleagues terms and benefits (decision at RemCO) -2026 Colleague Incentive Scheme(s) Structure (recommendation to Board) -Committee Terms of Reference (recommendation to Board) -Remuneration Committee Report (decision at RemCo)	**KEY DOCUMENTS (FOR DECISION):** -Annual Colleague Salary Review (recommendation to Board) -Colleague out of cycle pay awards -Colleague incentive scheme payments -Executive Incentive Scheme Payments -Executive pay award -Colleague Incentive Scheme + Thrive! Fund Amount -Chair & NED fees review -Annual Executive Salary Review

REPORTS (FOR INFORMATION): -Review of objectives and performance - Colleague half year performance ratings (included in interim Colleague Incentive Scheme report) -Interim Report on all Open Incentive Schemes - -Chair's & NEDs Remuneration fee benchmarking progress -Update from BRC on the committees view of the Executive risk attitude and culture. -Committee Performance Review	**REPORTS (FOR INFORMATION):** -Full Year Thrive! Fund payments (LV) -Defined Contribution Scheme Update