

**Saga plc**  
**Remuneration Committee Terms of Reference**  
**adopted by the Board on 1 February 2024**

<b>Purpose</b>	<p>The Remuneration Committee (the <b>Committee</b>) is a Committee of the Saga plc (the <b>Company</b>) Board of Directors (the <b>Board</b>). It determines the policy and terms and conditions of employment, remuneration/compensation and benefits of Senior Executives who are defined as:</p> <ul style="list-style-type: none"> <li>○ Chair of the Board</li> <li>○ Executive Directors</li> <li>○ Senior Management (being those individuals who report to the Group Chief Executive Officer (the <b>Group CEO</b>))</li> <li>○ Company Secretary</li> <li>○ Internal Audit and Assurance Director</li> </ul> <p>In addition, the Committee is responsible for reviewing workforce remuneration and incentive programmes to ensure alignment with culture and strategy, taking these factors into account when determining the policy and remuneration for Senior Executives. The Committee also determines share-based arrangements.</p>
<b>Reports to</b>	<p>The Board, via the Committee Chair (the <b>Chair</b>) and Chief People Officer (<b>CPO</b>), who shall report on the Committee’s activities after each meeting and make recommendations to the Board where necessary.</p>
<b>Membership</b>	<ul style="list-style-type: none"> <li>• At least three members, all of whom shall be independent non-executive directors.</li> <li>• The Chair of the Board may be a member if they were considered independent on appointment.</li> <li>• Appointments shall be for a period of three years, extendable for up to two further periods of three years, so long as (other than the Chairman of the Board, if a Committee member) they continue to be independent.</li> </ul>
<b>Chair</b>	<ul style="list-style-type: none"> <li>• The Chair shall be appointed by the Board.</li> <li>• Where possible, should have served on the remuneration committee for at least 12 months prior to appointment as Chair.</li> <li>• In the absence of the Chair and/or appointed deputy, the remaining members present shall elect one of themselves as chair.</li> <li>• The Chair of the Board shall not be the Chair.</li> <li>• The Chair shall attend the Company’s AGM prepared to respond to any shareholder questions on the Committee’s activities and responsibilities.</li> <li>• The Chair should engage with shareholders on significant matters related to the Committee’s areas of responsibility.</li> </ul>
<b>Secretary</b>	<p>The Company Secretary, or their nominee, (the <b>Secretary</b>) shall act as secretary of the Committee and will ensure timely delivery of papers to enable full and proper consideration to be given to the issues.</p>
<b>Quorum</b>	<p>Two Committee members.</p>

<b>Attendance</b>	<ul style="list-style-type: none"> <li>• Only Committee members have the right to attend and vote at Committee meetings.</li> <li>• Directors or other executives of the Company, or any external professional advisors may be invited to attend all or part of any meetings at the discretion of the Chair.</li> <li>• Executives may not attend when their own remuneration is under discussion.</li> </ul>
<b>Frequency</b>	The Committee shall meet at least twice a year.
<b>Notice</b>	Shall be given to each member and attendee at the request of any of its members.
<b>Minutes</b>	<ul style="list-style-type: none"> <li>• Shall be prepared by the Secretary.</li> <li>• Draft minutes shall be circulated promptly to the Chair and, once agreed, to all Committee members and other Board members, unless the Chair considers it would be inappropriate to do so.</li> </ul>
<b>Review</b>	At least annually, review performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes to the Board for approval.
<b>Duties</b>	<p>The Committee shall:</p> <p><b>1 Remuneration policy</b></p> <p>1.1 Determine and agree with the Board the remuneration policy for the Senior Executives, including pension rights and any compensation payments. Ensure there is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. Remuneration of non-executive directors shall be a matter for the Chair of the Board and the Executive Directors, in accordance with the Company's Articles of Association (Articles) and the remuneration policy. No director or Senior Executive shall be involved in decisions regarding their own remuneration.</p> <p>1.2 The objective of such policy shall be to attract, retain and motivate Senior Executives in the successful performance of their role, without paying more than is necessary. Remuneration should link rewards to corporate and individual performance. Performance-related elements should be transparent, stretching and rigorously applied. The Committee shall seek to align those targets with the Group's strategic objectives and relevant financial and non-financial measures, to ensure the delivery of long term value in line with the Company's purpose. The Committee shall also determine the achievement of such targets and approve the total annual pay-outs.</p> <p>1.3 In determining the remuneration policy and approving design of, and targets for, any performance related Senior Executives remuneration schemes, consider all necessary factors including, but not limited to:</p> <p>1.3.1 Relevant legal and regulatory requirements;</p> <p>1.3.2 The principles and provisions of the UK Corporate Governance Code (the <b>Code</b>) and recommendations in associated guidance;</p> <p>1.3.3 The views and long-term interests of shareholders and other stakeholders;</p> <p>1.3.4 Remuneration trends across the Company and Group, including the remuneration and related policies of the wider workforce;</p> <p>1.3.5 The risk appetite of the Company; and</p>

- 1.3.6 The alignment of the remuneration policy to the Company's purpose, values, culture and long-term strategy.
- 1.4 Review and consider (at least annually) remuneration and related policies in place across the Company or Group to:
- 1.4.1 Ensure the ongoing appropriateness and relevance, and alignment of workforce remuneration (including incentive programs), with the Company's culture and strategy;
- 1.4.2 Report how decisions on alignment of executive pay with the wider Company remuneration policy;
- 1.4.3 Feedback to the Board on workforce reward, incentives, and conditions, and how they address any pay gaps and pay ratios between various quartiles within the business; and
- 1.4.4 Work with the Nomination Committee as appropriate.
- 1.4.5 Within the terms of the agreed policy and in consultation with the Chair and/or Group CEO, determine the total individual Senior Executives remuneration packages, including but not limited to base salary (and the pension consequences of base salary increases) bonuses, incentive payments, discretionary payments, pension contributions, benefits in kind and share options or other share awards. Independent judgement and discretion should be exercised when authorising remuneration outcomes, taking account of the Company and individual performance, and wider circumstances.
- 2 Senior Executives remuneration**
- 2.1 Consider and approve payments, or any non-cash benefits (including pension contributions) to be provided to/for the benefit of Executive Directors or Senior Executives, and any other terms and conditions to apply on termination of an individual's employment (as approved by the Board). Ensuring that contractual terms on termination, and any payments made, are fair. Any payment for loss of office to any current or former Chair or Executive Director should be consistent with the most recent directors' remuneration policy. Reducing compensation to reflect departure from a director's obligations should ensure that non-performance is not rewarded and that the duty to mitigate loss is fully recognised.
- 3 Remuneration consultants**
- 3.1 Obtain reliable, up-to-date remuneration information from companies of comparable scale and complexity. Appoint remuneration consultants and commission reports, surveys or other information necessary within any budget set by the Board.
- 3.2 Responsible for establishing the selection criteria, appointing and setting the terms of reference for remuneration consultants and consider any other connection they may have with the Board.
- 4 Colleague remuneration and benefits structure**
- 4.1 Approve the design and criteria of and determine targets for Senior Executives performance related pay schemes operated by the Company, approving the total annual payments made under such schemes and monitoring their overall operation (in accordance with the provisions of the Code and guidance). Future share awards such as RSP awards (excluding the Deferred Bonus Plan) promoting long-term shareholdings should be released for sale on a phased basis and be subject to a total vesting and holding period of five years for Executive Directors. Remuneration schemes and policies

should enable the use of discretion to override formulaic outcomes. There should be provisions enabling the Company to recover and/or withhold the payment of any sum or share awards, specifying the circumstances in which it would be appropriate to do so. The Committee shall maintain a formal policy on post-employment shareholding requirements, encompassing both vested and unvested shares.

- 4.2 Review the design of all share incentive plans for Board and shareholder approval. Annually determine whether awards will be made, and if so, the overall amount of such awards, and the individual awards to Senior Executives.
- 4.3 Determine the policy for, and scope of, pension arrangements for each Executive Director and other Senior Executives. Only basic salary shall be pensionable. The pension contribution rates for the Senior Executives, or payments in lieu, shall consider those available to the workforce.
- 4.4 Oversee any major changes or investments in employee pay or benefits structures throughout the Company or Group.
- 4.5 Where appropriate, recommend additional employee share scheme to the Board and monitor all employee share scheme's implementation to ensure that they are run in accordance with the rules of that scheme and any applicable legal and stock exchange requirements and any Her Majesty's Revenue and Customs requirements.
- 4.6 The Committee shall be responsible for (subject to the rules of the relevant scheme, the Articles from time to time and any applicable legal and stock exchange requirements):
  - 4.6.1 the selection of eligible directors and employees and its subsidiary companies to whom share options or awards should be granted;
  - 4.6.2 the timing of any grant;
  - 4.6.3 the numbers of shares over which share options or awards are to be granted;
  - 4.6.4 the exercise price at which share options or awards are to be granted; and
  - 4.6.5 the setting of any performance condition(s) which must be complied with before any option or award (other than the awards issued at IPO (referred to as the IPO Awards) may be exercised.
  - 4.6.6 For the avoidance of doubt the Committee shall not be responsible for) any terms or conditions in relation to the IPO Awards.

## **5 Other**

- 5.1 Ensure the CPO has direct access to the Chair of the Board, Chair and Committee.

<p><b>Annual Report</b></p>	<p>The Committee shall produce a report to be included in the Company’s annual report and accounts setting out:</p> <ul style="list-style-type: none"> <li>• information relating to the Executive Directors remuneration, including, where required by law, the Executives Directors remuneration policy and its implementation;</li> <li>• the Company’s remuneration policy;</li> <li>• any appointed remuneration consultants, including identification of such consultants and a statement whether they have any connection with the Company and/or individual directors;</li> <li>• an explanation of the strategic rationale for Executive Directors’ remuneration policies, structures and any performance metrics;</li> <li>• reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps;</li> <li>• a description, with examples, of how the Committee has addressed the principles set out by Provision 40 of the Code;</li> <li>• whether the remuneration policy operated as intended in terms of company performance and quantum, and, if not, what changes are necessary;</li> <li>• any shareholder engagement and the impact this has had on remuneration policy and outcomes;</li> <li>• any workforce engagement to explain how executive remuneration aligns with wider company pay policy; and</li> <li>• the extent discretion has been applied to remuneration outcomes and the reasons why.</li> </ul>
<p><b>Authority</b></p>	<ul style="list-style-type: none"> <li>• Undertake any activity within its terms of reference;</li> <li>• Seek any information, it requires from any colleague/director in order to perform its duties;</li> <li>• Obtain, at the Company’s expense (within the limits authorised by the Board from time to time), external legal or other professional advice on any matter within its terms of reference where required and invite persons giving such advice to attend Committee meetings;</li> <li>• Call any Group colleague or contractor to be questioned at a Committee meeting; and</li> <li>• Delegate any of its powers to one or more of its members or the Secretary.</li> </ul>

<p><b>Governance and Process</b></p>	<p>The Committee shall:</p> <ul style="list-style-type: none"> <li>• Have access to sufficient resources to carry out its duties, including access to the Secretary and other Group functions for assistance.</li> <li>• Exercise independent judgement when evaluating the advice provided to the Committee, including that from their independent advisers and views from executive directors and Senior Executives.</li> <li>• Be provided with appropriate and timely training, including an induction for new members. Committee members may request specific training where required.</li> <li>• Give due consideration to applicable laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies and formation and operation of share schemes.</li> <li>• Give due regard to published or other available information relating to pay, bonuses and other benefits of executives in comparable companies.</li> </ul> <p>The duties of the Committee do not include decisions to employ or dismiss members of the Senior Executive. The Committee does not have responsibility for Board nominations.</p> <p>Conflicts of Interest:</p> <ul style="list-style-type: none"> <li>• At the beginning of each meeting, all Committee members shall declare the existence of any conflicts of interest arising.</li> <li>• Any member declaring an interest may speak and be counted in the quorum for that business at the Chair's discretion, subject to the Company's Articles.</li> </ul>
<p><b>Standing Agenda</b></p>	<ul style="list-style-type: none"> <li>• Welcome/Declaration of Interests</li> <li>• Specific agenda items relevant to the corporate calendar</li> <li>• Agree status of leavers</li> <li>• Formally note/ratify any actions agreed outside of the Committee meetings</li> <li>• Minutes of last meeting(s)/matters arising</li> <li>• Any other business</li> <li>• Board feedback</li> <li>• Appendices – annual planner</li> </ul>