

MADE.COM GROUP PLC

Remuneration Committee Terms of Reference

Approved by the Board on 15 June 2021

1. MEMBERSHIP

- 1.1. The remuneration committee (**Remuneration Committee**) of Made.com Group Plc (**Company** and, together with its subsidiaries, **Group**) shall comprise at least three members, all of whom shall be independent non-executive directors. The chair of the board of directors of the Company (**Board**) may also serve on the Remuneration Committee as an additional member (but not chair) if he or she was considered independent on appointment as chair. Members of the Remuneration Committee shall be appointed by the Board, on the recommendation of the nomination committee of the Company and in consultation with the chair of the Remuneration Committee.
- 1.1. Only members of the Remuneration Committee have the right to attend meetings of the Remuneration Committee. However, other individuals such as the Company's chief executive, HR Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.2. Appointments to the Remuneration Committee are made by the Board and 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 he or she is a member of the Remuneration Committee) continue to be independent.
- 1.3. The Board shall appoint the chair of the Remuneration Committee who shall be an independent non-executive director who has served on a remuneration committee for at least 12 months. In the absence of the chair of the Remuneration Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The chair of the Board shall not be chair of the Remuneration Committee.
- 1.4. If any member of the Remuneration Committee is unable to act for any reason, the chair of the Remuneration Committee may appoint any other independent non-executive director to act as his or her alternate.
- 1.5. Decisions of the Remuneration Committee shall be made by majority vote. In the event of an equality of votes, except where he or she has a personal interest, the chair of the Remuneration Committee shall have a casting vote.

2. SECRETARY

The Company's General Counsel & Company Secretary or his or her nominee shall act as the secretary of the Remuneration Committee and will ensure that the Remuneration Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. **QUORUM**

- 3.1. The quorum necessary for the transaction of business shall be two.
- 3.2. A duly convened meeting of the Remuneration Committee 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 Remuneration Committee.
- 3.3. A member of the Remuneration Committee shall not be counted in the quorum where decisions are to be made or discussions are to take place concerning such member's remuneration.
- 3.4. All reasonable efforts shall be made to give notice of meetings of the Remuneration Committee to all members and invitees and to arrange such meetings so that all members and invitees are able to attend.
- 3.5. Meetings of the Remuneration Committee may be held telephonically or by any other means whereby the participants are able to communicate effectively with each other.

4. **MEETINGS**

- 4.1. The Remuneration Committee shall meet at least twice a year and otherwise as required. Any of the Remuneration Committee members may request a meeting of the Remuneration Committee if he or she considers it necessary, to be arranged by the General Counsel & Company Secretary.
- 4.2. The secretary of the Remuneration Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 4.3. The chair of the Remuneration Committee will maintain a dialogue outside of the formal meeting dialogue with key individuals involved in the Company's governance.
- 4.4. No Remuneration Committee member shall participate in any discussion or decision on their own remuneration.

5. **NOTICE OF MEETINGS**

- 5.1. Meetings of the Remuneration Committee shall be called by the secretary of the Remuneration Committee at the request of the chair of the Remuneration Committee or any of its members.
- 5.2. Unless otherwise agreed, 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 Remuneration Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to members of the Remuneration Committee and to other attendees, as appropriate, at the same time.
- 5.3. Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

6. MINUTES OF MEETINGS

- 6.1. The secretary shall minute the proceedings and resolutions of all Remuneration Committee meetings, including the names of those present and in attendance.
- 6.2. Draft minutes of meetings of the Remuneration Committee shall be circulated promptly to all members of the Remuneration Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the chair of the Remuneration Committee it would be inappropriate to do so.
- 6.3. Final signed copies of the minutes of the meetings of the Remuneration Committee should be maintained for the Company's records, in hard and soft copy where possible.

7. ENGAGEMENT WITH SHAREHOLDERS

The chair of the Remuneration Committee should attend the Company's annual general meeting to answer any questions from shareholders regarding the Remuneration Committee's activities. In addition, the chair of the Remuneration Committee should seek engagement with shareholders on significant matters related to the Remuneration Committee's areas of responsibility.

8. DUTIES

- 8.1. The Remuneration Committee should carry out the duties detailed below for the Company, major subsidiary undertakings and the Group as a whole, as appropriate. The Remuneration Committee shall:
 - a) have responsibility for determining the policy for directors' remuneration and setting the remuneration policy for all executive directors and the Company's chair, including pension rights and any compensation payments. The Board itself on recommendation from the Executive Directors, or, where required by the articles of association of the Company (*Articles*), the shareholders should determine the remuneration of the non-executive directors within the limits set in the Articles. No director or senior manager shall be involved in any decisions as to their own remuneration;
 - b) in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code (*Corporate Governance Code*) and associated guidance including the requirement of clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long strategic term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;
 - c) design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to Company purpose

and values, clearly linked to the successful delivery of the Company's long-term strategy, and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances;

- d) establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests, with share awards subject to a total vesting and holding period of at least five years, and a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares;
- e) determine the policy in relation to compensation agreed to be paid to any executive director or members of the executive management team in connection with the early termination of their employment and, where appropriate, office as director;
- f) when setting the remuneration policy for directors, review and have regard to pay and employment conditions across the Company or the Group, especially when determining annual salary increases;
- g) review the on-going appropriateness and relevance of the remuneration policy;
- h) within the terms of the agreed policy and in consultation with the Company's chair and/or chief executive officer, as appropriate, determine the total individual remuneration package of each executive director, the Company's chair and other designated senior executives including bonuses, incentive payments and share options or other share awards. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of company and individual performance, and wider circumstances;
- i) in determining or considering (as applicable) the packages and arrangements in (d) and (e) above, give due regard to any relevant legal requirements, the provisions and recommendations in the Governance Code, the and Financial Conduct Authority's (*FCA*) Listing Rules and Remuneration Code and associated guidance;
- j) recommend and monitor the level and structure of remuneration for senior management;
- k) obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the Remuneration Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board. However the Remuneration Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants;
- l) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee;

- m) approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes (in accordance with the provisions in the Corporate Governance Code);
- n) review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, the General Counsel & Company Secretary and other designated senior executives and the performance targets to be used;
- o) determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;
- p) 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 recognised;
- q) oversee any major changes in employee benefits structures throughout the Company or Group;
- r) agree the policy for authorising claims for expenses from the directors;
- s) work and liaise as necessary with all other Board committees; and
- t) consider other matters as referred to the Remuneration Committee by the Board.

9. **REPORTING RESPONSIBILITIES**

- 9.1. The chair of the Remuneration Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall report annually to the Board on the substance of the Company's remuneration policy.
- 9.2. The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3. The Remuneration Committee shall provide a description of its work in the annual report in line with the requirements of the Governance Code.
- 9.4. The Remuneration Committee shall ensure that provisions regarding the disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Corporate Governance Code and the Companies (Miscellaneous Reporting) Regulations 2018, the Financial Conduct Authority's Listing Rules, Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulation 2019 and all other relevant laws, regulations and guidance (each as amended from time to time), are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the Company's annual general meeting. If the Remuneration Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company or individual directors.

9.5. Through the chair of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

10. **OTHER MATTERS**

10.1. The Remuneration Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the General Counsel & Company Secretary for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- (c) give due consideration to 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 including but not limited to the provisions of the Corporate Governance Code and the related Guidance for Board Effectiveness, the requirements of the FCA's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules as well as guidelines published by the Association of British Insurers and the National Association of Pension Funds and any other applicable rules, as appropriate; and
- (d) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11. **AUTHORITY**

11.1. The Remuneration Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference. To help the Remuneration Committee to fulfil its obligations the Remuneration Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board. Although the Remuneration Committee can seek the advice and assistance of the executive management, it must ensure that this role is clearly separated from their role within the business.