

## Remuneration Committee Terms of Reference

### 1. Core Terms of Reference

- 1.1 The Core Terms of Reference for Council Governance Committees are incorporated into these Terms of Reference, but with the following additional provisions:
  - (a) The Chief Executive Officer, the Chief Executive of IOP Publishing, the Head of Human Resources and Talent at IOP Publishing and the Head of People and Organisational Development at IOP will be invited to attend meetings of the Committee on a regular basis.
  - (b) The Head of Human Resources and Talent at IOP Publishing or, in their absence, the Head of People and Organisational Development at IOP, shall act as the secretary of the Committee.
  - (c) The Committee may include up to two paid external advisors as members to provide specialist advice.

### 2. Duties and Powers

- 2.1 The Committee shall carry out the duties below for the IOP and all members of the IOP Group.
- 2.2 The Committee shall (and is authorised by Council without the need for further confirmation to):
  - (a) determine, on behalf of Council, the salaries, bonuses, remuneration packages and all other matters concerning remuneration of the Chief Executive Officer and, with the support of the CEO, all of the other Executive Directors in the IOP Group (together referred to below as the IOP Group Leadership Team);
  - (b) ensure that appropriate benchmarking is in place in order to understand how the salary and remuneration packages of each of the IOP Group Leadership Team compare to market conditions;
  - (c) ensure that any decisions around remuneration are delivering on the IOP's policy on diversity and inclusion;
  - (d) design remuneration policies and practices to support strategy and promote long-term sustainable success, with remuneration aligned to the IOP's purpose and values, clearly linked to the successful delivery of its long-term strategy, and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or awards under appropriate specified circumstances;
  - (e) when determining remuneration policy and practices, consider the need for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
  - (f) in determining remuneration policy, take into account all other factors which it deems necessary including relevant legal and regulatory requirements and associated guidance, the objective of such policy being to attract, retain and motivate management of the quality required to run the IOP Group successfully in the most cost-effective way;
  - (g) keep under continuing review the effectiveness of the annual and long-term incentive plans. For any such plans, determine each year whether awards will be

made based on audited out-turn, and, if so, the overall amount of such awards, the individual awards, and the performance targets; and

- (h) approve external advisor fees properly incurred in undertaking the above activities.