

UNITY TRUST BANK PLC

REMUNERATION COMMITTEE

Terms of Reference

1. Constitution

The Unity Trust Bank plc (the “Bank”) Board of Directors (the “Board”) established, by resolution on 21 May 2015, a Remuneration Committee (the “Committee”). The Terms of Reference for the Committee are set out below and were last revised and approved by the Board on 24 November 2023.

2. Purpose

The Committee is accountable to the Board and its remit includes:

- To propose the over-arching principles of remuneration policy across the Bank;
- To recommend Executive Director pay, Employee Profit Share Plan and employee share scheme awards to the Board for approval; and
- To determine the remuneration of the other members of the Executive.

3. Authority

3.1. The Committee is a committee of the Board of the Bank, from which it derives its authority and to which it reports.

3.2. The Committee has delegated authority from the Board in respect of the functions and powers in these Terms of Reference.

3.3. The Committee is authorised to seek external legal or other professional advice on any matters within its Terms of Reference at the Bank’s expense, within any budgetary restraints imposed by the Board.

4. Membership

4.1. The Committee shall be appointed by the Board and shall normally consist of no less than three Non-Executive Directors, at least one of whom shall be a Director determined by the Board to be independent.

4.2. The membership of the Committee shall be reviewed by the Nomination Committee on an annual basis.

4.3. The Chair of the Committee shall be appointed by the Board in consultation with the Nomination Committee. In the absence of the Committee Chair, the Committee members present shall appoint one of themselves to chair the meeting. In the absence of the Committee Chair the remaining members present shall elect one of themselves to chair the meeting.

5. Quorum

The quorum shall be two members, one of whom must be a director determined to be independent on appointment.

6. Attendance at the Meetings

6.1. No one other than the Committee Chair and its members shall be entitled to attend meetings of the Committee, unless at the invitation of the Chair.

6.2. Members should endeavour to attend Committee meetings in person where possible but may also attend by video or telephone conference.

6.3. The Company Secretary of the Bank, or their nominee, will be secretary to the Committee.

7. Frequency

The Committee shall meet twice a year or more frequently if circumstances require.

8. Meeting Materials

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

8.2. The Secretary shall circulate the minutes of the meeting to all members of the Board, unless it would be inappropriate to do so, taking into account any conflicts of interest that may exist.

9. Responsibilities

The responsibilities of the Committee are set out below.

The Committee shall:

Policy

9.1. annually review and recommend the Remuneration Policy to the Board. The policy must be aligned to the Bank's long term strategy and consistent with the Bank's values, taking into account the impact of the policy on Unity's risk profile. The policy should be designed to offer a reward package which attracts, motivates, and retains appropriately qualified and experienced people;

9.2. when recommending remuneration policy for members of the Executive Committee, review and have regard to pay and employment conditions across the Bank, especially when recommending or determining annual salary increases;

9.3. remuneration policies should enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share-related awards under appropriate specified circumstances;

Bank-Wide

9.4. determine the level of funds available for annual salary reviews for Bank employees, taking into account competitive market conditions, affordability and the Bank's

strategy as agreed by the Board, with the allocation between individuals to be determined by management;

- 9.5. recommend to the Board significant changes to employee benefits, including but not limited to employer pension contributions, the wellbeing allowance, and death in service benefits;
- 9.6. recommend to the Board the scope, rules, and targets of awards for any cohorts or individuals covered in employee share-related schemes operated by the Bank, and the total awards made under such schemes;
- 9.7. satisfy itself as to the accuracy of performance measures that govern performance related incentives;
- 9.8. review and recommend remuneration structures and incentive payouts which are adjusted for risks;
- 9.9. keep under review the Employee Profit Share Plan and all employee share-related schemes, recommending the level of funds available for distribution or award under the schemes to the Board;
- 9.10. make recommendations to the Board in relation to the grant and vesting of awards under the Bank's Key Person Share Option Plan, including the scaling of awards and implementation of clawbacks, as appropriate;
- 9.11. review and approve the Remuneration Policy Statement required annually by the regulators;
- 9.12. oversee that conflicts of interest are identified and resolved in the determination of remuneration.

Information and Consultants

- 9.13. obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity on a periodic basis;
- 9.14. be exclusively responsible for establishing the selection criteria, selecting, appointing, and setting the terms of reference for any remuneration consultants who advise the Committee;
- 9.15. the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants;

Remuneration of Specified Individuals

- 9.16. recommend to the Board the remuneration arrangements of any Executive Director of the Bank;
- 9.17. subject to 9.16 and awards under employee share-related schemes, determine the remuneration for the members of the Executive Committee;
- 9.18. no Director or member of the Executive Committee shall be involved in any decisions as to their own remuneration;
- 9.19. when setting or recommending to the Board the pension contribution rates for

Executives, or payments in lieu, these should be aligned with those available to the workforce;

- 9.20. receive highlights of the Performance Reviews of the Executives;
- 9.21. oversee that contractual terms on termination, and any payments made, are fair to the individual and the Bank, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 9.22. in overseeing such packages and arrangements, give due regard to the contents of the UK Corporate Governance Code (the "Code").

10. Other Matters

The Committee shall:

- 10.1. Have access to sufficient resources in order to carry out its duties, including access to Secretariat for assistance as required;
- 10.2. Provide appropriate and timely induction and training for new committee members and on an ongoing basis for all members;
- 10.3. Give due consideration to laws and regulations, as appropriate;
- 10.4. The Committee shall ensure there is a regular review of 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. The committee evaluation should cover the Committee's interaction with other Board committees; and
- 10.5. In order to support the Committee in discharging its responsibilities in accordance with these Terms of Reference, maintain and regularly review the annual schedule of agenda items.

11. Reporting Responsibilities

- 11.1. The Committee shall ensure that sufficient information is made available to the Board to enable disclosure of remuneration, including pensions in the Annual Report.
- 11.2. The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.3. The Committee shall make whatever recommendations to the Board it deems appropriate to any area within its remit where action or improvement is needed.
- 11.4. The Committee shall make available its terms of reference clearly explaining its role and the authority delegated to it by the Board.
- 11.5. The Committee Chair should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.