

Staffline Group plc

Remuneration and Nominations Committee

Terms of Reference

(approved by the Board of Directors (the "Board"))

On 17 March 2025)

Staffline Group plc
("Company")

1. Definitions

In these terms of reference:

"**Board**" means the Board of directors of the Company;

"**Committee**" means the remuneration and nominations Committee of the Board; and

"**Group**" means the Company and its subsidiary undertakings from time to time.

2. Introduction

The primary purpose of the Committee is to assist the Board in determining the Company's remuneration and nominations policies. In performing its duties, the Committee will maintain effective working relationships with the Board and HR personnel.

3. Membership

3.1 The Committee shall comprise at least two members, who shall be independent non-executive directors. In addition, the Chair of the Board, whether or not independent, may also serve on the Committee as a member but shall not chair the Committee.

3.2 Appointments to the Committee are made by the Board and shall be for a period of up to three years which may be extended for up to two additional three-year periods.

3.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the CEO, CFO, business HR directors and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

3.4 The Board shall appoint the Committee Chair, who shall be an independent non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to Chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.

4. Secretary

The Company Secretary or their nominee shall act as the Secretary of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

5. Quorum

The quorum necessary for the transaction of business shall be two.

6. Frequency of meetings

The Committee shall meet at least three times a year and otherwise as required.

7. Notice of meetings

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

7.2 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 Committee, any other person required to attend no later than three working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

8. Meetings by Telephone and other Electronic Means

8.1 A meeting of the members of the Committee may consist of a conference between Committee members some or all of whom are in different places provided that each Committee member may participate in the business of the meeting whether directly, by telephone or by any other electronic means which enables him: a) to hear each of the other participating Committee members addressing the meeting; and b) if he so wishes, to address all of the other participating Committee members simultaneously.

8.2 A quorum is deemed to be present if at least the number of Committee members required to form a quorum may participate in the manner specified in paragraph 5 above in the business of the meeting.

8.3 A Committee meeting held in the manner specified in paragraph 8.1 above is deemed to take place at the place where the largest group of participating Committee members is assembled or, if no such group is readily identifiable, at the place from where the chair of the meeting participates.

9. Minutes of meetings

9.1 The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.

9.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and the Company Secretary unless, in the opinion of the Committee Chair, it would be inappropriate to do so.

10. Engagement with shareholders

The Committee Chair shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

11. Duties

The Committee shall carry out the duties below for the Company and the Group as a whole, as appropriate.

In respect of remuneration, the Committee shall:

- 11.1** regularly review the structure, size and composition of the Board and have delegated responsibility for determining the policy for directors' remuneration (setting remuneration for the Company's Chair and executive directors and senior management, and Company Secretary), in accordance with the Principles and Provisions of The QCA Corporate Governance Code;
- 11.2** 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 three years, and a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares;
- 11.3** 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;
- 11.4** when determining executive director remuneration policy and practices, consider The QCA Corporate Governance Code requirements for (i) aligning with the Company's purpose, strategy and culture, as well as its stage of development, (ii) supporting and reinforcing the desired corporate culture and promote the right behaviours and decisions, and (iii) simple and easy pay structures fostering alignment with shareholders;
- 11.5** no director or senior manager shall be involved in any decisions as to their own remuneration outcome. The Board itself or, where required by the Articles of Association, the shareholders should determine the remuneration of the non-executive directors within the limits set in the Articles of Association;
- 11.6** in determining remuneration policy, take into account all other factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of The QCA Corporate Governance Code and associated guidance. The objective of such policy shall be to promote the long-term success of the Company, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment of the Company's strategic long-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;

- 11.7** review the ongoing appropriateness and relevance of the remuneration policy;
- 11.8** when setting remuneration policy for directors, review and have regard to pay and employment conditions across the Company or group, especially when determining annual salary increases;
- 11.9** within the terms of the agreed policy and in consultation with the Chair and/or CEO, as appropriate, determine the total individual remuneration package of each executive director, the Company Chair and senior managers 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;
- 11.10** 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. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants;
- 11.11** review the design of all share incentive plans for approval by the Board and, where required, 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 for executive directors and senior managers, and the performance targets to be used;
- 11.12** determine the policy for and scope of pension arrangements, for each executive director and other designated senior executives;
- 11.13** 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;
- 11.14** agree the policy for authorising claims for expenses from the directors; and
- 11.15** review workforce remuneration and related policies; and work and liaise as necessary with other Board Committees.

In respect of nominations, the Committee shall:

- 11.16** regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes necessary;
- 11.17** give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- 11.18** keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;

- 11.19** be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 11.20** before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
- 11.20.1** consider using open advertising or the services of external advisers to facilitate the search;
 - 11.20.2** consider candidates from a wide range of backgrounds; and
 - 11.20.3** consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.
- 11.21** for the appointment of a Chair, the Committee should prepare a job specification, including the time commitment expected. A proposed Chair's other significant commitments should be disclosed to the Board before appointment and any changes to the Chair's commitments should be reported to the Board as they arise;
- 11.22** prior to the appointment of a Director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 11.23** keep under review any authorisations granted by the Board in connection with a directors' conflict of interest;
- 11.24** ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings;
- 11.25** review the results of the Board performance evaluation process that relate to the composition of the Board;
- 11.26** review annually the time required from Non-Executive Directors. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties; and

The Committee shall also make recommendations to the Board concerning:

- 11.27** formulating plans for succession for both Executive and Non-Executive Directors and in particular for the key roles of Chair and Chief Executive;
- 11.28** suitable candidates for the role of Senior Independent Director;
- 11.29** membership of the Audit committee, ensuring the interaction between Committees, and any other Board Committees as appropriate, in consultation with the Chair of those Committees; and with the Board is reviewed regularly.
- 11.30** the re-appointment of any Non-Executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required;
- 11.31** the re-election by shareholders of Directors under the annual re-election requirements within the Company's articles of association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to Directors being re-elected for a term beyond six years);
- 11.32** any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law and their service contract; and
- 11.33** the appointment of any Director to executive or other office (i.e. to Chief Executive Officer etc)

12. Reporting responsibilities

- 12.1** The Committee Chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.
- 12.2** The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for Board discussion when necessary.
- 12.3** The Committee shall provide a description of its work in the annual report in line with the requirements of The QCA Corporate Governance Code. This report should include detail on its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be

identified in the annual report and a statement made as to whether it has any connection with the Company.

- 12.4** The report referred to in 12.3 above should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

13. Other matters

The Committee shall:

- 13.1** have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 13.2** be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 13.3** give due consideration to all relevant laws, regulations, the provisions of The QCA Corporate Governance Code and published guidelines or recommendations regarding the remuneration of company directors and the formation and operation of share incentive plans, the requirements of the FCA's Prospectus Regulation Rules, Disclosure Guidance and Transparency Rules sourcebook, and any other applicable rules, as appropriate;
- 13.4** ensure that a periodic evaluation of the Committee's own performance is carried out; and
- 13.5** 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.

The Chair of the Committee shall:

- 13.6** engage with shareholders to understand their views on significant matters considered by the Committee.

14. Authority

The 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.