

Terms of Reference

Remuneration Committee

Reference to 'the Committee' shall mean the Remuneration Committee

Reference to 'the Board' shall mean the Board of Directors

Reference to 'the Company' shall mean Vistry Group PLC

1. Membership and attendance

The Committee shall be appointed by the Board, on the recommendation of the Nomination Committee, and shall comprise of a Chair and at least two other members.

All members of the Committee shall be non-executive directors who are independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgement. The Chair of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chair.

Care should be taken to minimise the risk of any conflict of interest that might give rise to an unacceptable influence.

The Board, on the recommendation of the Nomination Committee, shall appoint the Committee Chair, who will be an independent non-executive director, and determine the period for which he/she shall hold office. Before appointment as Committee Chair, the appointee will normally have served on a remuneration committee for at least 12 months. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting. The Chair of the Company shall not be the Committee Chair.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chair of the Company (if not a member of the Committee), the Chief Executive, and Group People Director may be invited to attend for all or part of any meeting, as and when appropriate and necessary. Remuneration consultants appointed by the Committee shall attend if invited by the Chair.

2. Secretary

The Company Secretary or his or her nominee shall act

as the Secretary of the Committee and 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.

3. Quorum

The quorum necessary for the transaction of business shall be two. A duly convened meeting of the 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 Committee.

4. Frequency of Meetings

The Committee shall meet not less than three times a year and at such other times as the Chair of the Committee shall require.

Meetings of the Committee shall be called by the Secretary of the Committee at the request of any member thereof.

Unless otherwise agreed with the Committee Chair, 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 and all other non-executive directors, no later than five 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.

5. Minutes of Meetings

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

The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once approved, to all members of the Board unless in the opinion of the Chair of the Committee it would be inappropriate to do so.

6. Annual General Meeting

The Chair of the Committee shall attend the Annual General Meeting prepared to answer any shareholder questions on the Committee's activities.

In addition, the Chair of the Committee should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

7. Duties

The Committee shall carry out the duties below for the parent company, major subsidiary undertakings and the Group as a whole, as appropriate.

The Committee shall:

- Determine and review annually on behalf of the Board the framework and policy for the remuneration of the Chair of the Company, the Chief Executive, the executive directors and such other members of the executive management (to include, at a minimum, the first layer of management below Board level and the Company Secretary), as it is designated by the Board to consider, managing any conflicts of interest in this process. The remuneration of non-executive directors shall be a matter for the executive members of the Board. No director or manager shall be involved in any decisions as to his or her own remuneration. In order to assure his/her independence, the Committee will also determine on behalf of the Board the remuneration of the Company Secretary;
- Assess and monitor the Company's reward structures for alignment with the Board's definition of the Company's purpose, strategy and culture, the desired behaviours that underpin them, and responsible risk taking, and recommend to the Board such amendments to the reward structures as it deems necessary. The objective of such reward structures shall be to ensure that employees are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company. As a key principle, the remuneration policies and practices shall aim to ensure that remuneration is designed to support the strategy and promote long-term sustainable success;
- Address the six areas (clarity, simplicity, risk, predictability, proportionality, and alignment to culture) set out in Paragraph 40 of The UK Corporate Governance Code (July 2018) when determining executive director remuneration policy and practices;
- Review wider workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration;
- Within the terms of the agreed policy, determine the total individual remuneration package of the Chair, Chief Executive, each executive director and other designated senior executives (to include, at a minimum, the first layer of management below Board level and the Company Secretary), including the balance between fixed and performance related remuneration and, where appropriate, bonuses, incentive payments and share options or other share awards;
- Develop and keep under review a remuneration policy covering a three year period for submission to and approval by shareholders. The Committee shall be responsible for overseeing the remuneration policy and its implementation, so that all payments made to directors are in accordance with the shareholder approved remuneration policy;
- Consider and determine the terms, scope, implementation and performance conditions of the annual bonus scheme and approve annual bonus outcomes;
- Determine targets for any performance related pay schemes operated by the Company and ask the Board, when appropriate, to seek shareholder approval for any long term incentive arrangements and any amendments thereto;
- Consider and determine the terms, scope, implementation and performance criteria of all share-based remuneration schemes and any amendments thereto, including share option schemes and long term incentive plans, and determine the grant of options under any such

schemes as they shall apply to all staff. For any share-based remuneration schemes, determine each year whether awards will be made, and if so, the overall amount of such awards and the individual awards to executive directors and other staff within the Committee's remit;

- Ensure that remuneration schemes and policies enable the use of discretion to override formulaic outturns, and exercise independent judgement and discretion when authorising remuneration outcomes, taking into account of Company and individual performance, and wider circumstances;
- Consider and determine the malus and clawback provisions to apply to the annual bonus scheme and share based remuneration schemes;
- Determine the policy for and scope of service agreements for the executive directors and other designated individuals, including pension arrangements, termination payments and compensation commitments;
- Ensure that contractual terms on termination and any payments made avoid rewarding poor performance, that the duty to mitigate loss on the part of departing directors is recognised, and approve any severance payments;
- Review competitor companies but ensure that automatic increases are not implemented, thereby avoiding the "ratchet" effect;
- Be aware of and oversee any major changes in employee benefit structures throughout the Company;
- Determine on behalf of the Board and keep under review the shareholding guidelines, including any policies for post-employment shareholding requirements, for executive directors and other members of executive management;
- Agree the policy for authorising claims for expenses from the directors;
- Ensure that the provisions regarding disclosure of remuneration, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and Paragraph 41 of The UK Corporate

Governance Code (July 2018), are fulfilled and produce an annual report on remuneration and a report on directors' remuneration policy to be included in the Company's Annual Report and Accounts and put to shareholders, as required;

- Oversee the communication strategy with shareholders in respect of the policy for remuneration, individual remuneration packages and levels of reward;
- Recommend for approval of the Board any actions within the Committee's remit including all circulars and resolutions to be put to shareholders concerning directors' remuneration, long term incentive arrangements and share-based remuneration schemes;
- Liaise with other board committees as appropriate including the Audit Committee to ensure consistency of reward thresholds with current accounting practices.
- Ensure effective engagement with the workforce and shareholders in relation to remuneration and related policies and practices, ensuring their views are understood and considered as appropriate by the Committee and the Board.

8. Other Matters

The Committee shall:

- have access to sufficient resources in order to carry out its duties;
- be provided with appropriate and timely training, both in the form of an induction program for new members and on an on-going basis for all members;
- give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules as well as guidelines published by the Investment Association and the Pension and Lifetime Savings Association and any other applicable publications, as appropriate; and
- review its own performance, constitution and terms of reference on an annual basis to ensure it is operating at maximum effectiveness and

recommend any changes it considers necessary to the Board for approval.

9. Authority

The Committee shall:

- to seek any information it requires from any employee of the Company in order to perform its duties and all employees are directed to co-operate with any request made by the Committee;
- to establish the selection criteria, select, set the terms of reference for and appoint remuneration consultants and obtain any outside legal or other independent professional advice at the Company's expense;
- to seek the advice and assistance of any of the Company's executives, ensuring that this duty is clearly separated from the executive's role within the business;
- to make its terms of reference, explaining its role and the authority delegated to it by the Board, publicly available.