



STO Board Committee Charter

*Nomination and Remuneration
Committee Charter*

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The Committee ensures a rigorous, fair, and transparent process for appointing directors and determining executive remuneration, fostering a strong governance structure.

The Nomination and Remuneration Committee assists the Board in developing a fair and transparent approach for setting human resource strategies, determining remuneration packages for directors and senior management, and overseeing director appointments. It also ensures a diverse and capable pipeline for succession and evaluates remuneration policies to align with long-term goals and shareholder interests.



Purpose

The Committee's purpose is to assist the Board of Directors in formulating and implementing a fair and transparent approach to the Company's human resources strategy, including the remuneration of directors, senior management and staff. This involves determining appropriate remuneration packages and ensuring a consistent, well-structured process for appointing directors and senior leaders. Additionally, the Committee oversees the development of a diverse and qualified talent pipeline for succession planning.

Scope

This Charter applies to the Nomination and Remuneration Committee of STO, and the Committee's responsibilities as detailed in this Charter extend to the whole of the STO Group, where applicable.

Charter Overview

This Charter specifies the roles and responsibilities of the Nomination Committee in performing their duty to the Board, Company and its stakeholders.

Last revised date

September 2024

1. Authority

The Nomination and Remuneration Committee is a Committee established by the Board of Directors of STO. The Committee has no executive responsibility but is accountable for performing its duties in accordance with its Charter and making recommendations to and advising the Board in relation to overall human resources strategy of the Company and the remuneration of directors and senior management.



2. Membership

The Committee shall consist of at least three (3) members, appointed by the Board from one Annual General Meeting to the next. Members may be removed at the Board's discretion.

3. Chairperson

The Board shall appoint one member of the Committee to serve as its chairperson.

4. Quorum

The quorum required for the Committee to transact business shall be two-thirds of its members. A properly convened meeting with a quorum present shall be empowered to exercise all the authorities, powers, and discretions granted to the Committee.

5. Secretary

The Company Secretary or his/her designated representative shall be appointed Secretary to the Committee. The Secretary, in conjunction with the Chairperson, shall draw up an agenda, which shall be circulated to each member prior to each meeting. The Secretary will also prepare the minutes of the Committee meetings.

6. Meetings

The Committee shall meet at least twice a year, with additional meetings as necessary.

7. Notice of Meetings

Committee meetings shall be scheduled by the Secretary at the request of the Chairperson, or any Committee member. Unless otherwise agreed, notice of each meeting, including the venue, time, date, and agenda, will be sent to all Committee members at least two working days before the meeting. However, special meetings may be held without notice to address urgent matters. Supporting documents will be distributed to Committee members and other attendees, as appropriate.

8. Minutes of Meetings

The Secretary shall record the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Draft minutes shall be circulated to all Committee members within 48 hours of the meeting.



9. Resources and Access to Expertise

The Committee has the authority to access resources, consult with management, and seek expertise as necessary. It also has the authority to approve related fees and terms of retention.

10. Annual General Meeting

The Committee Chairperson shall attend the Annual General Meeting to respond to shareholder questions regarding the Committee's activities.

11. Duties:

The Committee shall;

i. Nomination duties

- a. Review the structure, size, and composition of the Board and recommend changes to ensure a diverse mix of skills, knowledge, and experience.
- b. Oversee succession planning for the Board and senior management, ensuring a diverse pipeline.
- c. Identify and nominate suitable candidates for Board appointments, using open advertising or external advisers when appropriate.

- d. When shareholders make suggestions regarding director appointments, assess and identify suitable candidates.
 - e. Evaluate the balance of skills and prepare a description of the role and capabilities required for directors and senior management appointment.
 - f. Consider succession planning for directors and other senior executives during their work, considering the challenges and opportunities facing the company, and the skills and expertise needed on the board and management in the future.
- ### *ii. Remuneration duties*
- a. Determine the policy for executive remuneration, ensuring alignment with company strategy and long-term goals.
 - b. Set remuneration for the chairman, executive directors, and senior management, considering both financial and non-financial performance metrics and the directives from regulators.



- a. Design remuneration policies that support long-term shareholding and ensure it is aligned with shareholder interests.
- b. Review and approve the design of all share incentive plans and ensure remuneration policies are clear, simple, and proportional.
- c. Oversee any major changes in employee benefit structures throughout the Company.

12. Reporting Responsibilities

The Chairperson of the Committee shall formally report to the Board, summarizing the Committee's work and results, including meetings held, formal recommendations, and significant issues that should be brought to the Board's attention. The Committee shall make recommendations on any matters within its remit where action or improvement is deemed necessary. The Committee shall produce a report on its activities, to be included in the Company's annual report, along with a report on the Company's sustainability efforts.

13. Other Matters

The Committee shall:

- a. Consider relevant laws, regulations, the Code, and the requirements of Listing Authority Rules, Transparency Rules, and other applicable rules, as appropriate.
- b. Undertake any other duties or responsibilities as delegated by the Board.



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