

## ASHTEAD TECHNOLOGY HOLDINGS PLC

### TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

#### 1. Constitution

- 1.1 The remuneration committee (the “**Committee**”) was constituted as a committee of the board of directors (the “**board**”) of Ashtead Technology Holdings plc (the “**Company**”) at a full meeting of the board held on 14 August 2025 in accordance with the articles of association of the Company.
- 1.2 The Committee has the delegated authority of the board in respect of the functions and powers set out in these terms of reference.
- 1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members or the Company secretary, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

#### 2. Role

- 2.1 The role of the Committee is to assist the board to fulfil its responsibility to shareholders to ensure that:
  - (a) remuneration policy and practices of the Company are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements; and
  - (b) executive remuneration is aligned to company purpose and values and linked to delivery of the Company’s long-term strategy.
- 2.2 Subject to paragraph 2.3, in particular, the Committee shall consider:
  - (a) remuneration policies, including base pay, long-term and short-term incentives, shareholding requirements (including post-cessation) and use of the Committee’s discretion;
  - (b) remuneration practice and its cost to the Company;
  - (c) recruitment, service contracts, retention arrangements (to be put forward on an exceptional basis) and severance policies;
  - (d) pension and superannuation arrangements and other benefits;
  - (e) the engagement and independence of external remuneration advisers; and
  - (f) a review of workforce remuneration and related policies and the alignment of incentives and rewards with culture.
- 2.3 The remuneration of the senior independent director (if appointed) and non-executive directors of the board shall be determined by the chair and the executive directors to be decided at a meeting of the board to be determined within the limits set in the Company’s articles of association. No director shall be involved in any decisions as to their own remuneration.

### 3. Duties and Terms of Reference

The Committee shall carry out the following duties for the Company and its subsidiaries (the “**Group**”) and advise the board appropriately:

#### 3.1 Remuneration policy and practices

- (a) determine and agree with the board the policy for the remuneration and benefits, including pension rights and compensation payments, of the executive directors and set the remuneration for:
  - (i) the chair of the Company;
  - (ii) executive directors;and review the remuneration for:
  - (iii) the senior management (senior executives); and
  - (iv) the Company secretary (whether external fees or internal remuneration)
- (b) make recommendations to the board in respect of the pay for the non-executive directors, subject to the Company’s articles of association;
- (c) subject to paragraph 3.5(b), in determining the remuneration policy, consider:
  - (i) all relevant legal and regulatory requirements, the provisions and recommendations of the Financial Reporting Council’s UK Corporate Governance Code (the “**Code**”) and associated guidance;
  - (ii) the need to promote the long-term sustainable success of the Company and the alignment to the Company purpose and values clearly linked to the successful delivery of the Company’s long-term strategy, without paying more than is necessary, having regard to the views of shareholders, other stakeholders, the public interest and ensuring that executive directors, the Company secretary and senior executives are rewarded in a fair and responsible manner, provided with appropriate incentives to encourage enhanced performance and are rewarded for their individual contributions;
  - (iii) the need to support the strategy of the Group and how the policy reflects and supports the long-term strategy;
  - (iv) the Company’s risk appetite and risk management strategy ensuring that the remuneration policy is aligned to the Company’s risk policies and systems and long-term strategic goals; and
  - (v) any shareholding requirements, including the promotion of long-term shareholdings by executive directors that support alignment with long-term shareholder interests, a total vesting and holding period of at least five years, and a formal policy for any post- employment shareholding requirements for executive directors, the Company secretary and senior executives that encompass both unvested and vested shares;
- (d) when determining remuneration schemes and the remuneration policy, consider the use of discretion by the Committee to override formulaic outcomes;

- (e) review at least annually the on-going appropriateness and relevance of the remuneration policy and consult with significant shareholders, as appropriate, on the policy or any other aspects of remuneration;
- (f) within the terms of the agreed remuneration policy and in consultation with the chair and/or the chief executive officer of the Company as appropriate, determine the total remuneration package for the chair of the board and each element of the total individual remuneration package for each executive director, the Company secretary and each of the senior executives including (to the extent applicable):
  - (i) base salary;
  - (ii) profit sharing and specific incentive remuneration schemes or arrangements;
  - (iii) participation in share option schemes and share ownership plans;
  - (iv) pension arrangements, including the level of contributions by the Company; and
  - (v) other bonuses and benefits in cash or in kind,noting that 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.
- (g) ensure, where relevant, that any payments made in respect of any remuneration package are permitted under the latest remuneration policy and, if not, that either a revised remuneration policy or the proposed payment is submitted for approval by the board;
- (h) exercise any discretion or judgment on remuneration outcomes in accordance with any incentive schemes and the remuneration policy, taking account of company and individual performance, and wider circumstances and in relation to performance
- (i) -based incentive plans using a range of financial and non-financial strategic measures to ensure that targets are aligned with how the Company will deliver value over the long-term in line with the Company's purpose;
- (i) agree the policy for authorising claims for expenses from the directors;
- (j) not authorise any payment or proposed payment to any existing, proposed or previous executive director or chairman that the Committee does not honestly and reasonably believe is consistent with the remuneration policy most recently approved by shareholders;
- (k) give guidance to the executive management in setting the levels of remuneration for the Company;
- (l) address any appropriate structural changes that need to be made to the remuneration policy in light of changes to the relevant taxation legislation i.e., pensions taxation; and

- (m) use a consistent approach to performance measurement and explain in the remuneration report how this is achieved.

### 3.2 **Share based remuneration and bonus arrangements**

- (a) review and recommend for approval by the board (and where required, the shareholders) the design of, and determine the targets for, the operation of all share incentive plans, including all schemes involving the award of shares or the grant of options, in which executive directors and senior executives participate. For any such schemes or plans, determine each year whether the awards will be made, and if so, approve the levels of participation in such schemes or plans by those individuals;
- (b) monitor and assess any performance conditions applicable to any long-term incentive awards granted under any schemes or plans adopted by the Company. Ensure that the performance conditions are fully explained, aligned to the Company purpose and values, and clearly linked to the successful delivery of the Company's long-term strategy and enhancement of shareholder value. Consider whether any factors should be taken into account which would make an alternative outcome more appropriate and aligned to the interests of shareholders;
- (c) consider whether the executive directors and senior executives should be eligible for annual bonuses. Bonuses shall be used to reward a contribution to the business which exceeds the level expected;
- (d) recommend for approval by the board the design of, and determine annual targets and key performance indicators for, any bonus scheme operated by the Company in which the executive directors, Company secretary and/or senior executives participate. Assess performance against targets and key performance indicators by the Company, individual executive directors, the Company secretary and senior executives for these bonus schemes;
- (e) exercise independent judgement and discretion when authorising outcomes under all incentive arrangements, taking account of company and individual performance, and wider circumstances;
- (f) design and invoke agreed safeguards to ensure that any performance-related payments reflect actual achievements, for example through the inclusion in directors' contracts and/or agreements or documents which cover director remuneration of malus and clawback provisions permitting the recovery and/or withholding of sums or share awards under appropriate specified circumstances; and
- (g) ensure that all incentive arrangements are aligned to the Company's risk policies and systems, its purpose and values, support the strategy and promote long-term sustainable success.

### 3.3 **Pensions**

Review the pension arrangements for the executive directors and senior executives and consider:

- (a) the alignment of pension contribution rates, or payments in lieu, for executive directors and senior executives with those available to the workforce; and

- (b) the pension consequences and associated costs to the Company of basic salary increases and any other changes in pensionable remuneration or contribution rates, particularly for directors close to retirement, when compared with workforce arrangements.

### **3.4 Service contracts and severance**

- (a) approve the terms of the service contracts, the duration of which shall not normally exceed one year's notice period, for executive directors and senior executives and any material amendments to those contracts;
- (b) determine the policy for, and scope of, termination payments and compensation commitments for each executive director and senior executive and ensure that poor performance is not rewarded and that there is a clear policy to link non-contractual payments to performance; and
- (c) ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company and in accordance with legal and regulatory requirements, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

### **3.5 Workforce remuneration and related policies**

- (a) review workforce remuneration and related policies and the alignment of incentives and rewards with culture;
- (b) when setting the policy for executive director remuneration, take into account the matters in paragraph 3.5(a); and
- (c) engage with the workforce annually to explain how decisions on executive pay reflect wider company pay policy; and
- (d) oversee any major changes in remuneration and employee benefits structures throughout the Group.

### **3.6 Remuneration consultants**

- (a) to help it to fulfil its obligations and enable it to judge where to position the Company relative to other companies, 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 (but within any budgetary restraints imposed by the board) but the Committee should avoid designing pay structures based solely on benchmarking to the market or the advice of remuneration consultants; and
- (b) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

### **3.7 Other matters**

- (a) keep abreast of external remuneration trends and market conditions including receiving an annual presentation from its external remuneration consultants;
- (b) subject to delegation of authority by the board, review and approve any public disclosures in relation to executive remuneration and/or regulatory reporting (such as gender pay gap figures) and in doing so determine whether the

disclosure of any information on performance conditions and performance targets would be commercially sensitive;

- (c) consider such other matters as are referred to the Committee by the board; and
- (d) work and liaise as necessary with all other board committees.

#### **4. Membership**

- 4.1 At all times the Committee shall comprise a minimum of two independent members, one of which will be the chair. Each Committee member shall be an independent non-executive director as determined by the board (in accordance with the Code). If any member of the Committee is deemed not to be independent, then the board shall provide an explanation as to why they consider it appropriate for such director to be a member of the Committee.
- 4.2 The board shall appoint members of the Committee, on the recommendation of the nomination committee, in consultation with the Committee chair. It is recognised that the number of members may fall below three for temporary periods due to departures pending new appointments.
- 4.3 The chair of the board may be a member of, but not chair, the Committee if he or she is considered to be independent on appointment as chair.
- 4.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years provided the Director still meets the criteria for membership of the Committee.
- 4.5 The board shall, on the recommendation of the nomination committee, appoint the Committee chair who shall be an independent non-executive director and determine the period for which the Committee chair will hold office, and before such appointment, the appointee should have served on a remuneration committee for at least 12 months. In the absence of the Committee chair or an appointed deputy, the remaining members of the Committee present at a meeting shall elect one of their number present to chair the meeting.
- 4.6 The Committee chair shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
- 4.7 The Company secretary, or his or her nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues. Where the Company secretary is conflicted due to being an Executive Director, this role will be undertaken by a member of the Committee and supported, where necessary, by an external advisor.

#### **5. Attendance at Meetings**

- 5.1 The Committee shall meet at least twice a year and otherwise as required. Meetings should be organised so that attendance is maximised. The Committee shall meet at least once close to the year end for the purposes of reviewing the directors' remuneration report prior to the Company's Annual General Meeting.

- 5.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chief executive officer, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary and with the agreement of the Committee chair. The Committee chair shall have the discretion to decide who, other than Committee members, shall attend and address Committee meetings.
- 5.3 No person (including the chair of the board or senior executives) of the Company shall participate at a meeting of the Committee (or during a relevant part) at which any part of their remuneration is being directly discussed or participate in any recommendation or decision specifically concerning their remuneration.
- 5.4 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest, or any personal financial interest (either than as a shareholder) in any matter to be decided on, or any other matter which may compromise independence as a non-executive director and minute them accordingly.
- 5.5 Meetings of the Committee may be conducted when the members are physically present together or in the form of either video or audio conference.

## **6. Notice of Meetings**

- 6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair or any member of the Committee.
- 6.2 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, and any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting, or later with agreement from all members of the Committee. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee chair.

## **7. Quorum**

- 7.1 The quorum necessary for the transaction of business at a Committee meeting shall be two members, present in person or by audio or video conference. If there is difficulty in achieving a quorum, independent non-executive directors, who are not members of the Committee, may be co-opted as members for individual meetings.
- 7.2 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.

## **8. Voting Arrangements**

- 8.1 Subject to paragraph 8.2 and paragraph 8.3, each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person or by audio or video conference).



- 8.2 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 8.3 Except where he or she has a personal interest, the Committee chair shall have a casting vote.
- 8.4 The Committee chair may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

## **9. Minutes of Meetings**

- 9.1 The secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 9.2 Draft minutes of Committee meetings shall be circulated promptly to all Committee members. Once approved, minutes shall be circulated to all other board members and the Company secretary unless, exceptionally, in the opinion of the Committee chair it would be inappropriate to do so.
- 9.3 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

## **10. Engagement with Shareholders**

The Committee chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **11. Annual General Meeting**

All Committee members shall attend the annual general meeting and the Committee chair (or other appropriate member) shall be available to respond to any shareholder questions on the Committee's activities.

## **12. Reporting Responsibilities**

- 12.1 The Committee chair shall report to the board after each meeting on the nature and content of its discussion, records and action to be taken (including on any matters on which the board has requested the Committee's opinion) and the minutes of all Committee meetings shall be included in the board papers for a subsequent board meeting.
- 12.2 The Committee chair 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 Through the Chair of the board, ensure that the Company maintains contact, as deemed required, with its principal shareholders about remuneration.
- 12.4 The Committee shall ensure that all legal and regulatory requirements regarding the disclosure of information, and those set out in the Code and associated guidance, are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and/or on its website. In particular, the



Committee shall ensure that the annual report on remuneration includes a description of its malus and clawback provisions, including: (i) the circumstances in which malus and clawback provisions could be used; (ii) a description of the period for malus and clawback and why the selected period is best suited to the organisation; and (iii) whether the provisions were used in the last reporting period, and if so, ensure that a clear explanation of the reason is provided in the annual report.

### **13. General Matters**

The Committee shall:

- 13.1 Have access to sufficient resources to carry out its duties, including access to the Company secretary and management for advice and 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 on-going basis for all members. Any individual training is to be discussed and agreed with the Company secretary.
- 13.3 Give due consideration to relevant laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share incentive plans including but not limited to the Companies Act 2006, the principles and provisions of the Code, the requirements of the UK Listing Rules, the Disclosure Guidance and Transparency Rules, the UK Market Abuse Regulation and any other applicable rules, as appropriate.
- 13.4 Work and liaise as necessary with all other board committees, including the nomination committee in respect of any remuneration package to be offered to any new appointee of the board, ensuring that the interaction between committees and the Committee and the board is reviewed regularly.
- 13.5 Arrange for periodic reviews of its own performance and, 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.

### **14. Authority**

The board authorises the Committee to:

- 14.1 Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate independent legal or professional advice on any matter within its terms of reference as it considers necessary.
- 14.2 Seek any information it requires from any employee of the Group to perform its duties.
- 14.3 Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.
- 14.4 Call any employee of the Group to be questioned at a Committee meeting as and when required, and all such employees are directed to co-operate with any request made by the Committee.
- 14.5 Have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the board.

## **15. Procedure**

Subject to the constitutional documents of the Company, the Committee shall determine its own procedures.

Adopted at the board meeting of the Company on 14 August 2025.