

BLOOMSBURY PUBLISHING PLC

Remuneration Committee Terms of Reference

Approved by the Board on 28 October 2019

1. Constitution and authority

- 1.1 The remuneration committee (the "**Committee**") is constituted as a committee of the Board of Directors (the "**Board**") of Bloomsbury Publishing Plc (the "**Company**") 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, powers and responsibilities set out in these Terms of Reference.
- 1.3 The Committee may sub-delegate any or all of its powers and authority to one or more of its members or to the Company Secretary (or their nominee), including, without limitation, the establishment of sub-committees which are to report back to the Committee.

2. Membership

- 2.1 The Committee's membership is restricted to independent Non-Executive Directors only.
- 2.2 The Committee shall comprise at least two independent Non-Executive Directors of the Company. 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.
- 2.3 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chair of the Committee.
- 2.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Finance Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.5 The Board shall appoint the Chair of the Committee who shall be an independent Non-Executive Director and should ordinarily have served on the Committee or another listed company Remuneration Committee, for a period of at least 12 months prior to their appointment. In the absence of the Chair of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.
- 2.6 The Chair of the Board shall not be Chair of the Committee.

3. Secretary

- 3.1 The Company Secretary or his or her nominee shall act as the secretary of the Committee.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be two members. 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.
- 4.2 No person shall participate at a meeting of the Committee (or relevant part of a meeting) at which their remuneration is being directly discussed or participate in any recommendation or decision specifically concerning their remuneration.

5. Meetings

- 5.1 The Committee shall meet at least twice a year and otherwise as required.

6. Notice of meetings

- 6.1 Meetings of the Committee shall be called by the Chair or by the Company Secretary at the request of the Chair 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, any other person required to attend and all other Non-Executive Directors, in advance of the meeting. The Company Secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration of the issues.

7. Minutes of meetings

- 7.1 The Company Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and other such attendees of the meetings as the Chair of the Committee shall direct unless the Chair of the Committee considers it would be inappropriate to do so.

8. Annual General Meeting

- 8.1 The Chair of the Committee should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities and to seek engagement with shareholders on significant matters related to the Committee's responsibilities.

9. Duties

- 9.1 The Committee should carry out the duties below for the parent Company, major subsidiary undertakings and the Group as a whole, as appropriate.
- 9.2 In carrying out any of its duties under the remaining provisions of this paragraph, the Committee shall take into account all factors that it considers appropriate including, but not limited to:
- 9.2.1 all relevant legal and regulatory requirements, including the UK Listing Authority's Listing, Prospectus and Disclosure, Guidance and Transparency Rules and the provisions and recommendations of the UK Corporate Governance Code, including associated guidance;
 - 9.2.2 the views of shareholders and other stakeholders where, in the opinion of the Committee, it is appropriate to do so;
 - 9.2.3 whether individuals are rewarded in a fair and responsible manner and are provided with appropriate incentives to encourage enhanced performance and are rewarded for their individual contributions, without paying more than is necessary;
 - 9.2.4 the need for simplicity, clarity, transparency and predictability in setting the remuneration policy and remuneration arrangements (including the metrics and targets of performance-related aspects of remuneration);
 - 9.2.5 the need for remuneration arrangements to ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated;
 - 9.2.6 the need to promote the long-term success of the Company, and the link between remuneration policy (and the potential remuneration outcomes under it) and the delivery of the Company's strategy and the long-term performance of the Company;
 - 9.2.7 the alignment of the remuneration policy with the Company's purpose, values, culture and strategy; and
 - 9.2.8 the need to promote long-term shareholdings by Executive Directors to support alignment with long-term shareholder interests.

- 9.3 The Committee shall:

- 9.3.1 determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chair of the Board, Chief Executive and the Executive Directors, and shall monitor the level and structure of remuneration for other members of senior management. For the avoidance of doubt, the remuneration of Non-Executive Directors shall be a matter for the Chair of the Board and the Executive Directors of the Board. No director or senior manager shall be involved in any decisions as to their own remuneration.
- 9.3.2 when setting remuneration policy for Executive Directors, review and have regard to workforce remuneration and related policies across the Company.
- 9.3.3 review the ongoing appropriateness and relevance of the remuneration policy.
- 9.3.4 within the terms of the agreed policy (where relevant), determine the total individual remuneration package of the Chair of the Board and each Executive Director including, in respect of the latter, bonuses, pension arrangements, incentive payments and share options or other share awards.
- 9.3.5 to keep abreast of external remuneration trends and market conditions by obtaining reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board.
- 9.3.6 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 9.3.7 approve the design of, and determine targets for, any performance related pay schemes operated by the company and approve the total annual payments made under such schemes.
- 9.3.8 ensure that all performance-related pay schemes and (where applicable) share incentive plans contain appropriate safeguards against excessive or unwarranted remuneration outcomes, including but not limited to, recovery and withholding powers.
- 9.3.9 to develop a formal policy for post-employment shareholding requirements.
- 9.3.10 exercise independent judgement and, where appropriate, ensure the Committee retains discretion to scale and claw back remuneration outcomes.
- 9.3.11 review the design of all share incentive plans ensuring these are put for approval to the Board and (where required) shareholders at the next Annual General Meeting. For any such plans, the Committee shall determine each year whether awards will be made, and if so, approve the overall amount of such awards, the individual awards to Executive Directors, Company Secretary and designated senior managers and the performance targets to be used.
- 9.3.12 determine the policy for, and scope of, pension arrangements for each Executive Director, noting that only basic salary should be pensionable. For new directors, regard should be had to the pension policies and practices in the Company's wider workforce.
- 9.3.13 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.
- 9.3.14 oversee any major changes in employee benefits structures throughout the Company or Group.
- 9.3.15 agree the policy for authorising claims for expenses from the directors.

10. Reporting responsibilities

- 10.1 The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall produce a report describing the Committee's activities and detailing the remuneration of directors to be included in the Company's annual report and ensure each year that it is put to shareholders for

approval at the Annual General Meeting. The report should explain the strategic rationale of the remuneration policies, their structure and any performance metrics, and reflect the requirements outlined in 9.2 above. If the policy has not operated as intended, there must be a description of what is being done to address this. In addition, the Committee should describe any engagement with shareholders, with the workforce and the exercise of its discretion around remuneration outcomes.

- 10.4 The Committee shall include a report of the Company's remuneration policy in the Company's annual report and will present the policy at the Annual General Meeting for shareholder approval at least every three years or whenever a significant change to the policy is proposed.

11. Other matters

The Committee shall:

- 11.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required.
- 11.2 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.
- 11.3 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.
- 11.5 be 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. The costs of such consultants shall be in accordance with the policy agreed by the Board.
- 11.6 work and liaise as necessary with all other Board Committees.