

**BURBERRY GROUP PLC**  
**(the “Company”)**

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

**1. Membership**

- 1.1. The Remuneration Committee (the “Committee”) shall comprise at least three members, all of whom shall be independent Non-Executive Directors.
- 1.2. The Chair of the Board may also serve on the Committee as an additional member, provided that the individual was considered independent on appointment as Chair of the Board. The Chair of the Board shall not chair the Committee’s meetings.
- 1.3. Members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the Committee Chair. Membership of the Committee will be reviewed annually by the Board.
- 1.4. The Committee Chair will be an independent Non-Executive Director appointed by the Board from among the members of the Committee. Before appointment as Committee Chair, the appointee will normally have served on a remuneration committee (either at the Company or another company) for at least 12 months. 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, provided that the individual would qualify under these terms of reference to be appointed to that position by the Board.

**2. Secretary**

- 2.1. The Company Secretary or his or her nominee will be 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 and Attendance**

- 3.1. The quorum shall be any two members.
- 3.2. Only members of the Committee have the right to attend Committee meetings. Attendance by non-members is at the discretion of the Committee Chair but, normally, the Chair of the Board (if not a member of the Committee) will be invited to attend. The Chief Executive Officer, Chief People Officer, Chief Operating and Financial Officer, VP Head of Reward, or other relevant person including external advisors may be invited to attend all or any part of the meeting, as and when appropriate and necessary.
- 3.3. No individual should be present or vote when their own remuneration is being considered.

**4. Committee Meetings**

- 4.1. The Committee shall meet at least twice a year, and otherwise as required. Meetings may be held physically or by conference call/video conference or similar electronic means of communication.
- 4.2. Meetings of the Committee shall ordinarily be called by the Company Secretary at the request of the Committee Chair or any of its members.
- 4.3. 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 as far in advance as possible, and normally 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, but Committee papers may be forwarded at shorter notice with the approval of the Committee Chair.
- 4.4. The Company Secretary (or his/her nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

- 4.5. Draft minutes of Committee meetings (and any resolutions) shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board (including the Chair of the Board and the Chief Executive Officer), and any other attendees at the meeting unless in the opinion of the Committee Chair it would be inappropriate to do so.

## **5. Engagement with Shareholders**

- 5.1. The Committee Chair shall attend the Annual General Meeting (the “AGM”) to answer shareholders’ questions on remuneration matters and 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.

## **6. Duties**

- 6.1. The Committee should carry out the duties detailed below for the parent Company, major subsidiary undertakings and the group as a whole, as appropriate. The Committee shall:

- i. For Executive Directors, Non-Executive Directors and the Chair of the Board, ensure that a Directors’ Remuneration Policy (“Policy”) is put to shareholders for binding approval at least every three years, and that all payments made to these individuals are in line with the approved Policy and shall review the ongoing appropriateness and relevance of the Policy.
- ii. For other Persons Discharging Managerial Responsibility (“PDMRs”), remaining members of the Executive Committee and the Company Secretary, have responsibility for setting, monitoring and periodically reviewing remuneration policy. The Board may determine that other individual(s) should be included in this group from time to time. The Board itself should determine the remuneration of the Non-Executive Directors within the limits set in the Articles of Association.
- iii. In determining such policies, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code (the “Code”), and associated guidance, also ensuring that its remuneration policies are designed to promote the long-term success of the Company, without paying more than is necessary or incentivising inappropriate levels of risk, while having regard to the views of shareholders and other stakeholders. The remuneration policies should align to the Company’s long-term strategic goals and performance-related elements should be transparent, stretching and rigorously applied, with the aim of rewarding individuals fairly, but responsibly, for their performance.
- iv. Within the terms of the relevant agreed policy and in consultation with the Chair of the Board and/or the Chief Executive Officer, as appropriate, determine the total individual remuneration package of the Chair of the Board, PDMRs, remaining members of the Executive Committee and the Company Secretary (and any other individual so designated by the Board), including salaries, benefits and pension provision, incentive payments, any performance criteria, any form of share-based award and any buyouts on hiring in line with the buyout policy.
- v. When setting the remuneration policy, and particularly when reviewing salaries, be provided with appropriate information regarding pay and employment conditions across the Company and if appropriate reliable, up-to-date information about remuneration in other companies of comparable scale and complexity to provide external context and take this into account when making decisions.
- vi. Review and set appropriate shareholding guidelines for the Executive Directors, PDMRs and other members of the Executive Committee (and any other individual so designated by the Board), monitor individuals’ progress against the guidelines and determine any sanctions.
- vii. Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- viii. Approve the design of, and determine targets for, any annual incentive schemes based on Group performance, approve the total annual payments made under such schemes and specifically approve any payments for the Executive Directors, PDMRs, other members of the Executive Committee and the Company Secretary (and any other individual so designated by the Board) having considered recommendations from the Chair of the Board and/or the Chief Executive Officer, as appropriate, including those relating to individual performance.

- ix. Review the design of all share incentive plans for approval by the Board and, if necessary, 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 made to Executive Directors, PDMRs, other members of the Executive Committee and the Company Secretary (and any other individual so designated by the Board), and the performance targets to be used. The Committee shall also be responsible for approving any amendments to share incentive plans and exercising any discretion as may be permitted under the relevant plan rules. The Committee will also approve any vesting under such schemes and specifically approve vestings for the Executive Directors, PDMRs, other members of the Executive Committee and the Company Secretary (and any other individual so designated by the Board) having considered recommendations from the Chair of the Board and/or the Chief Executive Officer, as appropriate.
- x. Approve the design of any cash based long term incentive schemes and any targets relating to Group performance, approve the total payments made under such schemes and specifically approve the targets and any payments for the Executive Directors, PDMRs, other members of the Executive Committee and the Company Secretary (and any other individual so designated by the Board) having considered recommendations from the Chair of the Board and/or the Chief Executive Officer, as appropriate, including those relating to individual performance.
- xi. Ensure that contractual terms on termination for Executive Directors, PDMRs, other members of the Executive Committee and the Company Secretary (and any other individual so designated by the Board), 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.
- xii. Agree the policy for authorising claims for expenses from the Executive and Non-Executive Directors.
- xiii. Agree the policy for Executive Directors taking outside appointments and the treatment of fees received from such roles.
- xiv. Ensure its Terms of Reference are made available to shareholders on the Company's website and, if requested, in hard copy.
- xv. Review workforce remuneration and related policies.
- xvi. Work and liaise as necessary with all other Board committees.
- xvii. Carry out any other duties which may from time to time be delegated by the Board.

## **7. Reporting**

- 7.1. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required.
- 7.2. The Committee Chair shall report to the Board at the next Board meeting following each Committee meeting.
- 7.3. The Committee shall ensure that provisions regarding disclosure of information, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the Code, are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's Annual Report and Accounts, and ensure each year that it is put to shareholders for approval at the AGM.

## **8. Other matters**

- 8.1. The Committee shall:
  - i. Have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for advice and assistance as required.
  - ii. 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.
  - iii. Arrange for periodic reviews of its own performance and, at appropriate intervals, 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.

- iv. Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of Directors of listed companies and the formation and operation of share schemes including but not limited to the provisions of the Code, the requirements of the UK Listing Authority's Listing Rules, and the Market Abuse Regulations, as well as guidelines published by the Investment Association and the Pension and Lifetime Saving Association and any other applicable rules, as appropriate.

## **9. Authority**

- 9.1. The Committee is authorised by the Board to seek information and advice, at the Company's expense, from both inside and outside the Group as and when deemed necessary. The Committee shall select and appoint any consultants to advise the Committee on remuneration matters and agree the terms of reference for such consultants.
- 9.2. The Committee is authorised by the Board to approve for execution by the Company, in respect of any Executive Director, PDMR, other member of the Executive Committee and the Company Secretary (and any other individual so designated by the Board):
  - i. A service contract;
  - ii. A termination agreement; and/or
  - iii. Any ancillary documents to such contracts or agreements.
- 9.3. The Committee is not authorised to determine any matter relating to the Non-Executive Directors, which instead shall be determined by the Board upon recommendation of the Chair of the Board and/or the Chief Executive Officer, as appropriate.

Notes:

The Committee's terms of reference were last amended on 10 March 2021.