

ASTON MARTIN LAGONDA

REMUNERATION COMMITTEE TERMS OF REFERENCE

The purpose of the Remuneration Committee (the “**Committee**”) is to establish a formal and transparent procedure for developing policy on executive remuneration and to set or oversee as appropriate the remuneration packages of individual directors, senior management and employees of Aston Martin Lagonda Global Holdings plc (the “**Company**”).

1. CONSTITUTION

- 1.1 The Committee was constituted as a sub-committee of the board of directors of the Company (the “**Board**”), subject to the Company’s shares being admitted to the premium listing segment of the Official List of the FCA and to trading on the LSE’s main market for listed securities, at a meeting held on 19 September 2018.
- 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. The remuneration of non-executive directors should be determined in accordance with the Articles of Association or by the Board. Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role.

2. GOVERNANCE

- 2.1 The chairman of the Committee (the “**Chairman**”) is appointed by the Board on the recommendation of the Nomination Committee. Before appointment as the Chairman, the appointee will have served on a remuneration committee for at least 12 months, or such other period as may be provided under the UK Corporate Governance Code.
- 2.2 The Committee will comprise a minimum of three independent non-executive directors. Additionally, a maximum of two non-independent directors may be appointed as members of the Committee until the date which is 12 months after the constitution of the Committee. The chairman of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as chairman of the Board. The chairman of the Board shall not be Chairman of the Committee.
- 2.3 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chairman.
- 2.4 The Company Secretary or other suitable person will act as secretary of the Committee (the “**Secretary**”). The Secretary will provide all necessary support to the Committee, including recording Committee minutes, and circulating notices of meetings, minutes, information and papers to Committee members in a timely manner to enable full and proper consideration to be given to the issues.
- 2.5 Appointments to the Committee will be for a period of three years (subject to the relevant director remaining a member of the Board), which may be extended by the Board for up to two further periods of up to three years, provided that the director still meets the criteria for membership of the Committee.
- 2.6 The Committee meets at least three times per year and agrees further meetings at its discretion.
- 2.7 Any member of the Committee, including the Secretary, has the power to call a meeting at the request of the committee Chairman.
- 2.8 Unless otherwise agreed by the Committee, notice of each meeting confirming the venue, date and time, together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee (and to other attendees where appropriate) no later than five working days before the date of the meeting.
- 2.9 The quorum for the Committee is two independent non-executive directors. **In the absence of the Chairman and/or appointed deputy, the other 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
- 2.10 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.
- 2.11 Draft minutes of Committee meetings shall be agreed with the Chairman and then promptly circulated to all Committee members, unless it would be inappropriate to do so in the opinion of the Chairman.
- 2.12 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).
- 2.13 The members of the Committee shall, at the beginning of each meeting, declare the existence of any conflicts of interest arising and the Secretary shall minute them accordingly). 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.

- 2.14 Decisions of the Committee will be made by majority vote. In the event of an equality of votes, except where he has a personal interest, the Chairman shall have a casting vote. Any member of the Committee who remains opposed to a proposal after a vote can ask for his or her dissent to be noted in the minutes.
- 2.15 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, Finance Director, HR Director, any relevant board director, senior management and/ or external advisers, or directors having observer status may be invited to attend for all or part of any meeting, as and when appropriate and necessary and with the agreement of the Chairman.

3. DUTIES

The Committee should carry out the duties below for the Company, major subsidiary undertakings and the group as a whole, as appropriate.

The Committee will:

- 3.1 have delegated responsibility for designing and determining remuneration for the company chairman and all executive directors;
- 3.2 have delegated responsibility for designing and determining remuneration for the next level of senior management in addition to any other management as it is designated to consider;
- 3.3 set remuneration in order to attract, retain and motivate management of the quality required to run the company successfully without paying more than is necessary, having regard to the views of shareholders and other stakeholders;
- 3.4 ensure that the following are considered and addressed in any remuneration policy: (i) clarity; (ii) simplicity; (iii) risks associated with excessive awards; (iv) potential reward delivered; (v) link between pay, strategy and long-term company performance; and (vi) alignment to culture;
- 3.5 ensure that remuneration schemes and policies should enable the use of discretion to override formulaic outcome, including examples of circumstances that may enable the company to recover/withhold sums or shares awards;
- 3.6 manage potential conflicts of interest in the process of determining remuneration;
- 3.7 review workforce remuneration policies and practices to ensure they are aligned to the long-term strategic goals of the Company and take these into account when setting executive director remuneration;
- 3.8 ensure executive director remuneration (a) is rewarded fairly and responsibly, (b) is linked to corporate and individual performance and designed to promote the long-term success of the Company, (c) has regard to statutory and regulatory requirements, and (d) has regard to the pay and employment conditions across the Company or group especially when determining annual salary increases;
- 3.9 within the terms of the agreed policy and in consultation with the chairman of the Board or Chief Executive (as appropriate) determine the total individual remuneration package of the Company chairman, each executive director and other designated senior executives including management bonuses, incentive payments, share options (including, if relevant, the minimum number of shares to be held and the period, if any, for which these should be held after vesting), pension arrangements and any other benefits. No director or manager shall be involved in any decisions as to his or her own remuneration;
- 3.10 obtain reliable, up to date information about remuneration in other companies of comparable scale and complexity. To help 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 at the expense of the Company but within any budgetary restraints imposed by the Board;
- 3.11 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 3.12 within the terms of the agreed remuneration policy, review the design and operation of all long term share incentive schemes adopted by the Company from time to time (including any changes proposed thereto) to promote long-term shareholdings (with a total vesting and holding period of five years or more) by executive directors, monitor and assess any performance conditions applicable to long term incentive awards granted under the schemes, and approve the total annual payments made under such scheme;
- 3.13 within the terms of the agreed remuneration policy, approve the design of, and determine targets for, any performance related pay schemes operated by the Company (including any changes proposed thereto) and approve the total annual payments made under such schemes;
- 3.14 review pension arrangements for each executive director and other designated senior executives and employees in the context of the approach taken for the wider workforce;
- 3.15 ensure that contractual terms on termination (and any payments made / non-cash benefits provided) are in line with the Company's remuneration policy, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 3.16 oversee any major changes in remuneration and employee benefits structures throughout the Company and its group;
- 3.17 regularly report to the Board on all matters within its duties and responsibilities;

- 3.18 work and liaise as necessary with all other Board committees;
- 3.19 agree the policy for authorising claims for expenses from the directors; and
- 3.20 ensure that provisions regarding the public disclosure of information are fulfilled.

4. REPORTING RESPONSIBILITIES

- 4.1 The Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall share its papers with all members of the Board, unless such papers relate to members of the Board and are sensitive for this reason.
- 4.2 The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- 4.3 The Committee will ensure that provisions regarding disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Companies (Miscellaneous Reporting) Regulations 2018 and the UK Corporate Governance Code, are fulfilled and produce a remuneration report to be included in the Company's annual report to comprise an annual statement from the Chairman, the remuneration policy or summary as appropriate and annual report on remuneration.
- 4.4 In particular, the Committee will ensure that the remuneration report sets out the work done to satisfy the Committee that the remuneration structure is appropriate including the engagement that has taken place with the workforce, shareholders and the extent of any discretion applied by the Committee. In accordance with the Companies (Miscellaneous Reporting) Regulations 2018, the Committee will report on the ratios of pay between the Chief Executive and the required percentiles of the Company's employees.
- 4.5 The annual report on remuneration will be subject to an annual shareholder vote. The remuneration policy shall be voted on by shareholders at least once every three years.
- 4.6 If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company or individual directors.
- 4.7 Through the chairman of the Board, the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.
- 4.8 The Chairman shall attend the annual general meeting of the Company prepared to respond to any shareholder questions on the Committee's activities and responsibilities.
- 4.9 Where 20 per cent or more of votes are cast against a resolution related to remuneration at a meeting of shareholders, the Committee will consider consultation with shareholders and the provision of an update (including actions to be taken) no later than six months after the shareholder meeting.

5. OTHER MATTERS

The Committee will:

- 5.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required and, at the Committee's discretion, seek advice from external consultants;
- 5.2 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;
- 5.3 give due consideration to applicable laws regulations and published guidelines or recommendations regarding the remuneration of directors and (if applicable) formation and operation of share schemes, including but not limited to (to the extent applicable) the UK Corporate Governance Code and the requirements of the UK Listing Rules and the UK Listing Authority's Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;
- 5.4 oversee any investigation of activities which are within its Terms of Reference; and
- 5.5 arrange for periodic reviews of its own performance, its constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

6. AUTHORITY

The Board authorises the Committee to carry out the duties set out in these Terms of Reference, and the Committee is authorised to:

- 6.1 have unrestricted access to the Company's documents and information;
- 6.2 seek any information it requires from any employee of the Company and its group, and all employees are directed to co-operate with any request made by the Committee;

- 6.3 obtain, at the Company's expense, outside legal or other professional advice on any matter within these Terms of Reference; and
- 6.4 call any employee to attend a meeting of the Committee as and when required.