



The Gym Group plc

Remuneration Committee Terms of Reference

Approved by the Board on 5 February 2026

1. CONSTITUTION

- 1.1 The Board of The Gym Group plc (the “**Company**”) has established the Remuneration Committee (the “**Committee**”) under the Company’s Articles of Association.
- 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 further delegate any or all of its powers and authority as it thinks fit, including but not limited to, subcommittees which report to the Committee.

2. MEMBERSHIP AND ATTENDANCE

- 2.1 The Committee shall comprise at least three members, all of whom shall be independent Non-Executive Directors. The Board Chair may also serve on the Committee as a member if he or she was considered independent on appointment as Board Chair.
- 2.2 Only members of the Committee have the right to attend and vote at Committee meetings. However, other individuals such as the Board Chair, Chief Executive Officer, other Directors (except where their own remuneration is being determined), the Chief People Officer, external advisers and other individuals may be invited to attend all or part of any meeting as and when appropriate. The Committee shall remain independent of management and majority shareholders at all times.
- 2.3 Appointments to the Committee are made by the Board on the recommendation of the Nomination Committee, in consultation with the Committee Chair and shall be for a period of up to three years, extendable by no more than two additional three-year periods provided the member still meets the criteria for membership of the Committee.
- 2.4 The Board shall appoint an independent Non-Executive Director as the Committee Chair from among those members of the Committee on the recommendation of the Nomination Committee. Before appointment as Committee Chair the appointee must have previously served on a remuneration committee for at least 12 months. In the absence of the Committee Chair and/or an appointed alternate member, the remaining members present at any meeting shall elect one of their numbers who would qualify under these Terms of Reference to chair the meeting. The Board Chair shall not be appointed as the Committee Chair.
- 2.5 The Company Secretary, or his or her nominee, shall act as the Secretary of the Committee and shall ensure the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 2.6 Each member of the Committee shall disclose at the beginning of each meeting to the Committee:
 - (a) any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; or

(b) any potential conflict of interest arising from a cross-directorship; and

any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so requested by the Board) shall resign from the Committee.

3. QUORUM

3.1 The quorum necessary for the transaction of business at Committee meetings shall be two members present throughout the meeting. If the meeting is not quorate, it shall be postponed.

4. MEETINGS

4.1 The Committee shall meet at least three times a year and at such other times as the Committee Chair or any member of the Committee may request.

4.2 Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and any supporting papers shall, unless otherwise agreed, be issued to each Committee member and, as appropriate, any other person invited to attend, no later than three working days before the date of the meeting. These may be issued via electronic means, where agreed by the recipient.

4.3 Members of the Committee may participate and be included in the quorum of any Committee meetings by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other. Such meetings shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the Committee Chair is located.

4.4 The Committee Chair shall have a casting vote in the event of an equality of votes and any Director or attendee may be asked to leave the meeting during the discussion of matters relating to them. No Director or attendee shall be involved in any decision regarding their own remuneration.

5. AUTHORITY

5.1 The Board authorises the Committee to:

(a) investigate any activity within its Terms of Reference and make recommendations to the Board which it deems appropriate on any area within its remit where action or improvement is needed;

(b) seek any information it requires from, or request the attendance at any of its meetings of any Director or employee of the Company and its subsidiaries (the “**Group**”) and all Directors and employees are expected to co-operate with any requests made by the Committee;

(c) use any form of resource that it considers to be appropriate, including obtaining, at the Company’s expense (such expense to be agreed in advance with the Committee Chair) legal or other independent professional advice as it considers necessary to fulfil its responsibilities on any matter within its Terms of Reference (the Committee is responsible for the appointment of any remuneration consultants in respect of the Board Chair and Executive Directors’ remuneration) and to secure the attendance at meetings of individuals with relevant experience and expertise;

(d) where Directors have concerns about the business of the Committee that cannot be resolved, they should ensure that their concerns are recorded in the Committee minutes.

On resignation, a Non-Executive Director should provide a written statement to the Committee Chair, for circulation to the Board, if they have any such concerns; and

5.2 A summary of the division of authority between the Committee and the Board is included below as Appendix 1.

6. DUTIES AND RESPONSIBILITIES

Development of remuneration strategy and policy

6.1 The Committee shall:

- (a) determine the remuneration policy and practices for the Executive Directors in accordance with legal and regulatory obligations and best practice guidance where applicable, ensuring they are designed to support the Company's strategy, promote long term sustainable success and are aligned to the Company's purpose and values. Under the policy, the Committee shall have the discretion to override formulaic outcomes and to recover and/or withhold sums or share awards and to determine in-employment and post-employment shareholding requirements. When setting the policy, the Committee will take into account the remuneration of the wider workforce and related policies and the alignment of incentives and rewards with culture. The objective of the policy is to attract, retain and motivate a high performing executive management team;
- (b) undertake periodic reviews of the remuneration policy to ensure its continued compliance with the relevant laws and regulations and the UK Corporate Governance Code (the "**Code**") and consider feedback received from shareholders through that process. The policy shall be submitted to a binding vote of shareholders at least triennially; and
- (c) oversee the preparation of the Directors' remuneration report, which shall be put to shareholders for approval at the Company's annual general meeting, for the purposes of, and in accordance with all relevant laws and regulations and the Code;

Board Chair, Executive Directors and Executive Committee remuneration

6.2 With respect to the Board Chair, Executive Directors and members of the Executive Committee, the Committee shall:

- (a) within the terms of the remuneration policy and in consultation with the Board Chair and/or Chief Executive Officer as appropriate, set and determine any changes to their total individual remuneration packages including base salaries, bonuses, incentive payments and share options or other share awards; and
- (b) in the event of termination, approve their compensation payments or arrangements if any, having regard to the circumstances of the termination and terms of the relevant employment contract and share incentive plans. Termination arrangements and payments concerning the Chief Executive Officer, shall be recommended to the Board for approval.

6.3 The remuneration of the Non-Executive Directors (excluding the Board Chair) is not a consideration for this Committee. It shall be a matter reserved for the Board, to be approved by the Board Chair and the Executive Directors in consultation with the remuneration consultants, as appropriate.

All employees

6.4 The Committee shall:

- (a) review workforce remuneration and related policies, and the alignment of incentives and rewards with culture;
- (b) approve the overall parameters for annual salary reviews and bonus plans of the Group's employees;
- (c) approve individual remuneration packages for any employee earning £130,000 and above (excluding anticipated bonuses and other benefits) per annum; and
- (d) approve any material compensation payments to an employee on termination of £100,000 or more in value.

Performance related remuneration and share schemes

6.5 The Committee shall:

- (a) review and recommend for Board and, where relevant, shareholder approval, the design and operation of any performance related pay schemes and share incentive schemes operated by the Group as well as any amendments to the same, including the rules underpinning such schemes;
- (b) each year, determine and approve whether awards will be made under the Group's performance related and share incentive schemes, including the overall amount of such awards, the individual awards to any participant and the performance targets to be applied (where relevant);
- (c) have the authority to exercise discretion as specified in the scheme rules and the remuneration policy where appropriate and generally oversee the administration of the schemes; and
- (d) ensure the aforementioned schemes include malus and clawback provisions where relevant, and apply those provisions under appropriate specified circumstances.

7. OTHER MATTERS

7.1 The Committee shall:

- (a) have the authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary to fulfil its obligations under these Terms of Reference and at the expense of the Company, provided it is within the budgetary constraints imposed by the Board. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants;
- (b) determine the Group's approach to remuneration governance and its performance management framework;
- (c) agree the policy for authorising claims for expenses from the Directors;
- (d) obtain reliable, up to date information about remuneration in other companies of a comparable scale and complexity; and

- (e) consider other matters relating to the purpose of the Committee as are referred to it by the Board.

8. REPORTING RESPONSIBILITIES

- 8.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, unless it would be inappropriate to do so.
- 8.2 The Committee shall make such recommendations to the Board as it deems appropriate on any areas within its remit where action or improvement is needed or desirable.
- 8.3 The Committee shall provide a description of its membership, duties and activities during the year in the Company's annual report as prescribed by the relevant laws and regulations and the Code.
- 8.4 Where the Committee has appointed remuneration consultants, they should be identified in the Directors' remuneration report alongside a statement about any other connection they have with the Company or individual directors.
- 8.5 The Committee Chair shall be available to answer questions about the Committee's activities at the Company's annual general meeting. All other members of the Committee shall also attend the annual general meeting. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.
- 8.6 The Committee should make its Terms of Reference available on the Company's website.

9. REVIEW

- 9.1 These Terms of Reference shall be reviewed by the Committee at least annually.

APPENDIX 1

| Responsibility | Authority | |
|---|-------------------------------|--------------|
| | Remuneration Committee | Board |
| Directors' Remuneration Report* | Approves | N/A |
| Total individual remuneration packages for Board Chair (" Chair "), EDs and Executive Committee members | Approves | N/A |
| Individual remuneration packages for any employee earning £130,000 and above (excluding anticipated bonuses and other benefits) per annum | Approves | N/A |
| Non-Executive Director remuneration | N/A | Approves |
| Group approach to remuneration governance and performance management framework | Approves | N/A |
| Overall parameters for annual salary reviews, pensions and bonus plans of the Group's employees | Approves | N/A |
| Introduction of new executive or employee performance related pay schemes and share incentive plans or major changes to the same* | Recommends to Board | Approves |
| Share awards (including awarding, vesting, performance conditions and the setting/amendments to the rules relating to those awards) | Approves | N/A |
| Employee bonuses (plans and payments) | Approves | N/A |
| Termination compensation payments – Chair, EDs and members of the Executive Committee (including good leaver status and treatment of any deferred awards) | Approves | N/A |
| Termination compensation payments for Chief Executive Officer | Recommends to Board | Approves |
| Material compensation payments to an employee on termination of £100,000 or more in value. | Approves | N/A |
| Expense claims policy for the Directors | Approves | N/A |
| Appointment of remuneration consultants | Approves | N/A |

* Subject to shareholder approval

NB – Remuneration of the Non-Executive Directors (excluding the Chair) is determined at Board level by the Chair and EDs in consultation with the remuneration consultants, as appropriate, and subject to the Articles of Association.