

Jet2 plc

REMUNERATION COMMITTEE TERMS OF REFERENCE

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- 1.1 The Remuneration Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of **Jet2 plc** (the “**Company**”), from which it derives its authority and to which it regularly reports. In these terms of reference, the “**Group**” means the Company and its subsidiaries from time to time.

2. CONSTITUTION

- 2.1 The Committee is constituted as a committee of the Board who will determine its composition, duties and terms of reference.

3. MEMBERSHIP

- 3.1 Members of the Committee shall be appointed by the Board in consultation with the chairman of the Committee. The Committee shall comprise at least two members.
- 3.2 The Board shall appoint the Committee chairman who shall be an independent Non-Executive Director. In the absence of the Committee chairman 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.
- 3.3 A quorum shall be any two members of the Committee.

4. ATTENDANCE AT MEETINGS

- 4.1 The Committee will meet at least twice a year. The Committee may meet at other times during the year as agreed between the members of the Committee or as required.
- 4.2 Only members of the Committee have the right to attend Committee meetings. However, other directors and other individuals (including representatives of external advisers) may be invited to attend for all or part of any meeting, as and when appropriate in the opinion of the Committee’s chairman.
- 4.3 The Company Secretary or his or her nominee shall 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 all issues.

5. NOTICE OF MEETINGS

- 5.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of the Committee chairman or any of its members.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall (unless otherwise agreed) be forwarded to each member and any other person required to attend no later than five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time.
- 5.3 Meetings of the Committee may be conducted when the members are physically present or in the form of either a video or audio conference.

- 5.4 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

6. REPORTING

- 6.1 The proceedings and resolutions of the Committee meetings, including the names of those present and in attendance, shall be minuted by the Company Secretary or his or her nominee.
- 6.2 Draft minutes of each meeting will be circulated promptly to all members of the Committee to enable full and proper consideration to be given to any of the issues raised. Once approved, the minutes of each meeting will be circulated to all other members of the Board unless, in the opinion of the Committee chairman, it would be inappropriate to do so. The Committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities at the next Board meeting.

7. ENGAGEMENT WITH SHAREHOLDERS

- 7.1 The Committee chairman shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

8. DUTIES AND TERMS OF REFERENCE

The Committee should carry out the duties below for the Company and the Group as appropriate.

The Committee shall:

- 8.1 Have delegated responsibility for making recommendations to the Board, within agreed terms of reference, on the Group's framework of executive remuneration and its cost. The Committee determines the contractual terms, remuneration and other benefits for the executive directors, including performance-related bonus schemes, pension rights and compensation payments. The Committee shall review the terms of appointment for executive directors including any recruitment incentives and the basis on which compensation may be offered on termination.
- 8.2 Establish remuneration schemes that:
- are effective in aligning the interests of the executive directors and senior management with those of the Company's shareholders;
 - are aligned to the Company purpose and values, and linked to the successful delivery of the company's long-term strategy;
 - provide appropriate incentivisation to continue to deliver long-term sustainable profitability;
 - promote long-term shareholding by executive directors which aligns with long-term shareholder interests;
 - are flexible and enable the use of discretion to override formulaic outcomes and to recover and/or withhold cash sums or share awards under appropriate specified circumstances.
- 8.3 When determining executive director remuneration policy and practices, consider requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.
- 8.4 No director or senior manager shall be involved in any decisions as to their own remuneration outcome. The Board itself or, where required by the Articles of Association, the shareholders should determine the remuneration of the non-executive directors within

the limits set in the Articles of Association

- 8.5 In determining remuneration policy, consider all other factors which it deems necessary including relevant legal and regulatory requirements. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders.
- 8.6 Review the ongoing appropriateness and relevance of the remuneration policy.
- 8.7 Within the terms of the agreed policy, determine the total individual remuneration package of each executive director and senior managers including bonuses, incentive payments and share options or other share awards. 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.
- 8.8 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.
- 8.9 Review the design of all share incentive plans for approval by the Board and, where required, 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 for executive directors and senior managers, and the performance targets to be used.
- 8.10 Review, on an annual basis, a report on pay levels at each grade for all colleagues, the operation of any Company-wide bonus or profit share schemes and other colleague remuneration arrangements to provide insight and context to the Committee.
- 8.11 Work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

9. VOTING ARRANGEMENTS

- 9.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 9.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly, has a personal interest; that member shall not be permitted to vote at the meeting.
- 9.3 Save where he has a personal interest, the chairman of the Committee will have a casting vote.

10. AUTHORITY

- 10.1 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.
- 10.2 The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to obtain, at the company's expense, legal or professional advice on any matter within its terms of reference.
- 10.3 The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request

made by the Committee.

- 10.4 The Committee has the right to publish in the Company's Annual Report, details of any issues that cannot be resolved between the Committee and the Board.

11. GENERAL MATTERS

- 11.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.2 The Committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in applicable legislation and the UK Corporate Governance Code, are observed and produce a report of the Company's remuneration policy and practices to be included in the Company's Annual Report. 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.
- 11.3 The Chairman of the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.