

**Dated 2 December 2024**

**Hostelworld Group plc**

**Remuneration Committee - Terms of Reference**

## **Hostelworld Group plc (the "Company")**

### **Remuneration Committee – Terms of Reference**

#### **CONSTITUTION**

1. The Committee has been established by resolution of the board of directors of the Company (the "**Board**") and is to be known as the Remuneration Committee (the "**Committee**").
2. The Committee shall consist of a minimum of 2 members (or 3 members if the Company is a FTSE 350 Company) who are independent non-executive directors of the Company appointed by the Board on the recommendation of the Nomination Committee and in consultation with the Committee Chair. The Chair of the Committee, who shall be an independent non-executive director, shall be appointed by the Board on the recommendation of the Nomination Committee which shall determine the period for which he shall hold office. The Chair of the Committee shall have served on a remuneration committee for at least 12 months prior to their appointment as Chair of the Committee. 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. The Chair of the Board shall not be eligible to be appointed as Chair of the Committee but will serve on the Committee as an additional member on the basis that, as at the date of adoption of these Terms of Reference, the Company is a smaller company outside the FTSE 350 and that he was considered independent on appointment as Chair.
3. Appointments to the Committee shall be for a period of up to three years, which may be extended by no more than two further three year periods, provided the members (other than the Chair of the Board, if he is a member of the Committee) continue to be independent.
4. The Board shall regularly review the membership of the Committee to ensure that membership is refreshed, and undue reliance is not placed on particular individuals.
5. If executive directors or senior management are involved in advising or supporting the Committee, that role should be clearly separated from their role within the business and care should be taken to recognise and avoid conflicts of interest.
6. The Company Secretary or his or her nominee shall act as 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.
7. The Secretary shall keep a record of:
  - 7.1.1 the membership, and the dates of any changes to the membership, of the Committee; and
  - 7.1.2 any person who, or firm which, provides advice or services to the Committee or materially assists the Committee on matters relating to directors' remuneration and the nature of any other services provided by that person to the Company during the year.

8. The quorum for decisions of the Committee shall be any 2 members.

#### **ROLE**

9. The Committee shall, on behalf of the Board and the shareholders of the Company:
- 9.1 determine and agree with the Board the framework or broad policy for the remuneration (including benefits, pension arrangements and termination payments) of the Company's Chief Executive Officer, Chief Financial Officer, Chair, executive directors (if any), and for senior management of the Group (i.e., the first level of management below Board level, including the Company Secretary) . No director or manager shall be involved in any decisions as to their own remuneration;
  - 9.2 set the remuneration for senior management of the Group (i.e., the first level of management below Board level, including the Company Secretary) and engage with the workforce to explain how executive remuneration aligns with wider company pay policy;
  - 9.3 in determining such remuneration policy, take into account all factors which it deems necessary. 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. The remuneration policy should support strategy and promote long-term sustainable success and have regard to the risk appetite of the Company and alignment to the Company's long-term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company and the Group;
  - 9.4 when setting the remuneration policy for directors, review and have regard to pay and employment conditions across the Company and/or Group, especially when determining annual salary increases, and review workforce remuneration and related policies and the alignment of incentives and rewards with culture;
  - 9.5 engage with the workforce to explain how executive remuneration aligns with wider company pay policy;
  - 9.6 review the ongoing appropriateness and relevance of the remuneration policy;
  - 9.7 within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive as appropriate, determine the total individual remuneration package of each executive director and other senior executives (including the Executive Team) including bonuses, incentive payments and share options or other share awards;
  - 9.8 in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code and the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure and Transparency Rules, the Listing Rules of the Irish Stock Exchange, the Market Abuse Regulation (EU) No. 596/2014 as well as any published guidelines or recommendations regarding the remuneration of directors of listed companies and the formation and operation of share option schemes, in particular the guidance published by the Investment Association and any other applicable rules, as appropriate;

- 9.9** investigate any matter within its terms of reference (at the cost of the Company). The Committee is authorised to seek any information it requires from any employee in order to perform its duties and all employees are directed to co-operate with any requests made by the Committee;
- 9.10** obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. The Committee will be at liberty (at the cost of the Company) to draw on outside legal or other independent professional advice in carrying out its tasks and such persons shall be permitted to attend meetings of the Committee but shall not be members of it. Within any budgetary restraints set by the Board, the Committee may appoint remuneration consultants and commission any reports or surveys on information which it deems necessary to help fulfil its duties;
- 9.11** be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 9.12** review and note annually the remuneration trends across the Company and the Group;
- 9.13** approve the design of, determine targets for, approve the methods for assessing whether performance conditions are met and the eligibility of executive directors for annual bonuses and benefits under any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes (in accordance with the provisions in the UK Corporate Governance Code);
- 9.14** review the design of all share incentive plans for approval by the Board and 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 the Chief Executive, the executive directors and other senior executives and the performance targets to be used;
- 9.15** determine the policy for, and scope of, pension arrangements for each executive director and other senior executives;
- 9.16** ensure that the Company's policy on the duration of contracts, notice periods and contractual terms on termination in relation to the directors and Executive Team, 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;
- 9.17** consider and make recommendations in respect of any other terms of the service contracts of the executive directors and any proposed changes to these contracts, and to review the company's standard form contract for executive directors from time to time;
- 9.18** oversee any major changes in employee benefits structures throughout the Company or Group;
- 9.19** when required, request that the Board seek shareholder approval of all new employee share schemes, as required by the Financial Conduct Authority's Listing Rules;
- 9.20** administer and review all aspects of any share option scheme operated by or to be established by the Company (excluding any SAYE share scheme), (subject always to

the rules of that scheme and any applicable legal and regulatory requirements) including but not limited to:

- a) the selection of those eligible directors and employees of the Company and its subsidiary companies to whom options should be granted;
- b) the timing of any grant of options;
- c) the numbers of shares over which options are to be granted;
- d) the exercise price at which options are to be granted; and
- e) the imposition of any objective condition which must be complied with before any option may be exercised;

**9.21** liaise with the Nomination Committee to ensure that the remuneration of newly appointed executive directors and senior management is within the Company's overall policy;

**9.22** agree any changes to the existing policy for authorising claims for expenses from the Chief Executive, the Chair and the directors;

**9.23** in conjunction with the Board, draft and approve the annual directors' remuneration report, having regard to the provisions of the Companies Act 2006 (the "2006 Act"), Listing Rules, the UK Corporate Governance Code, the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 and the Companies (Miscellaneous Reporting) Regulations 2018, and ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;

**9.24** assist in the drafting of the section in the Company's Annual Report relating to the activities of the Committee in accordance with the UK Corporate Governance Code and to liaise with the Board in relation to the same;

**9.25** ensure that it is in a position to justify all of its actions;

**9.26** in exercising its powers, to take into account the duties of directors under Chapter 2 of Part 10 of the 2006 Act including, in particular, section 172 of the 2006 Act, which requires a director to act in a way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term,
- b) the interests of the Company's employees,
- c) the need to foster the Company's business relationships with suppliers, customers and others,
- d) the impact of the Company's operations on the community and the environment,
- e) the desirability of the Company maintaining a reputation for high standards of business conduct, and

- f) the need to act fairly as between members of the Company;
  - 9.27 promptly provide the Board with such information as may be necessary or desirable in the opinion of the Board to enable the Board to monitor its conduct in order that each member of the Board may fulfil his duties and responsibilities as a director;
  - 9.28 ensure that these terms of reference are made available on the Company's website in accordance with the UK Corporate Governance Code;
  - 9.29 make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed; and
  - 9.30 ensure that the Company maintains a dialogue with shareholders about the remuneration of executive directors and senior management and the work of the Committee;
  - 9.31 work and liaise as necessary with all other Board committees;
  - 9.32 take account of remuneration best practice and market trends including, by way of example, consideration of the inclusion of ESG related performance metrics and targets as part of remuneration and reward programmes; and
  - 9.33 ensure that executive directors' contracts and/or other agreements or documents which cover director remuneration include malus and clawback provisions that would enable the Company to recover and/or withhold sums or share awards and specify the circumstances in which it would be appropriate to do so.
10. The Committee shall not consider the remuneration of any non-executive director which shall be a matter for the Board or, where required by the Company's articles of association, the shareholders who shall determine the remuneration within the limits set in the articles of association.
11. The terms of reference of the Committee do not encompass decisions to appoint, employ or dismiss executives or directors.

## **REPORTING RESPONSIBILITIES**

12. All decisions of the Committee shall be reported formally to the Board by the Committee Chair. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
13. The Committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the Companies (Miscellaneous Reporting) Regulations 2018 and the UK Corporate Governance Code, each as may be amended, replaced or supplemented from time to time, are fulfilled. The Committee shall produce a remuneration report to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the AGM by way of an advisory vote. The Committee shall also ensure that the Directors' remuneration policy is put to shareholders for approval at the AGM by way of a binding vote at least once every three years, or earlier if amendments to the policy are proposed. If the Committee has appointed remuneration consultants, the annual remuneration report should identify such consultants and state whether they have any other connection with the Company.

14. Through the Chair of the Board, the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.

#### **PROCEDURE**

15. Notwithstanding the quorum requirements for the Committee, all members of the Committee should endeavour to attend all meetings of the Committee.
16. Meetings of the Committee shall be held not less than twice each year and at such other times as the Chair of the Committee requires, normally immediately before or after regular meetings of the Board. Formal meetings (particularly in relation to the formal grant of employee share options) may also be held by telephone conference. Meetings may also be called by the Secretary of the Committee at the request of any member of the Committee.
17. At least 5 days' notice of any meeting of the Committee shall be given, although such notice period may be waived or shortened with the consent in writing of all the members of the Committee for the time being. Notice of the meeting should confirm the venue, time and date together with an agenda of items to be discussed. Notice shall be sent to each member of the Committee, any other person required to attend and all other non-executive directors. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.
18. The Secretary shall record, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Minutes of all meetings shall also include an action log to track and address matters arising in the course of meetings.
19. The draft minutes of the meetings of the Committee shall be circulated to all members of the Committee and once agreed, to all members of the Board unless, in the opinion of the Committee Chair, it would be inappropriate to do so.
20. The Chair of the Committee shall be available at the Annual General Meeting of the Company to answer questions arising from the Committee's annual report of the Company's remuneration policy and practices which will form part of the Company's annual report to shareholders and generally on the Committee's activities. He should also ensure that the Company maintains good contact with shareholders about remuneration in the same way as for other matters.
21. No one other than the Chair and members of the Committee is entitled to attend or vote at a meeting of the Committee.
22. The Company's Chief Executive, Finance Director and/or HR Director may be invited to attend and speak at meetings (or parts thereof) of the Committee. Other persons may be called upon or shall be able to speak by prior arrangement with the Chair of the Committee. The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
23. The Committee shall, at least once a year, review its own performance, constitution, membership and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

24. References in these terms of reference to the “Group” mean the Company, its subsidiaries and its subsidiary undertakings.

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