

## Avast plc

(the “Company”)

### Remuneration Committee

#### Terms of Reference

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<b>Chair:</b>	Ulf Claesson
<b>Members:</b>	John Schwarz Warren Finegold
<b>Observers:</b>	Chief Executive Officer
<b>Frequency of Meetings:</b>	At least two meetings per annum

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## 1. Objectives

The Remuneration Committee (“**Committee**”) is a committee of the board of the Company (“**Board**”), to which is delegated the responsibility of advising the Board on developing an overall remuneration policy that is aligned with the business strategy and objectives, risk appetite, values and long term interests in the Company and its subsidiaries from time to time (the “**Group**”), recognising the interests of all stakeholders.

## 2. Membership

- 2.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee, and in consultation with the chair of the Committee.
- 2.2 The Committee shall be made up of at least three independent non-executive directors of the Company (“**Independent Non-Executive Directors**”). The chair of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as chair of the Board.
- 2.3 Only members of the Committee have the right to attend Committee meetings but the Committee may invite others to attend all or part of any meeting if it thinks it is appropriate or necessary. In addition, where considered appropriate, external advisers may be invited to attend for all or part of any meeting.
- 2.4 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for two further three-year periods (provided the director still meets the criteria for membership of the Committee).
- 2.5 The Board shall appoint the chair of the Committee who shall be an Independent Non-Executive Director. In the absence of the chair of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those present who would qualify under these terms of reference to be appointed to that position by the Board.
- 2.6 The chair of the Board shall not be chair of the Committee.

## 3. Secretary

The Company Secretary or their 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.

## **4. Quorum**

- 4.1 The quorum necessary for the transaction of business shall be two. 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. A member of the Committee shall not be counted in the quorum where decisions are to be made or discussions are to take place concerning such member's remuneration. All reasonable efforts shall be made to give notice of meetings of the Committee to all members and invitees and to arrange such meetings so that all members and invitees are able to attend.
- 4.2 Meetings of the Committee may be held telephonically or by any other means whereby the participants are able to communicate effectively with each other.

## **5. Frequency of Meetings**

The Committee shall meet at least twice a year and at such other times as the chair of the Committee shall require.

## **6. Notice of Meetings**

- 6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.
- 6.2 Unless otherwise agreed and except where a situation of urgency otherwise requires, wherever practicable, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be communicated to each member of the Committee, any other person required to attend and all other Independent Non-Executive Directors, no later than two working days before the date of the meeting. Supporting papers shall, wherever practicable, be provided to Committee members and to other attendees as appropriate, at the same time.

## **7. Minutes of Meetings**

- 7.1 The secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the chair of the Committee it would be inappropriate to do so.

## **8. Annual General Meeting**

The chair of the Committee should attend the annual general meeting prepared to respond to any shareholder questions on the Committee's activities.

## **9. Duties**

- 9.1 The Committee should carry out the duties below for the Group as a whole, as appropriate.

9.2 The Committee shall:

- (a) have responsibility for setting (and reviewing the ongoing appropriateness and relevance of) the remuneration policy for all executive directors of the Company (“**Executive Directors**”), the members of the executive management team and the chair of the Board, including pension rights and any compensation payments. The Board itself or, where required by the articles of association<sup>1</sup>, the shareholders should determine the remuneration of the Independent Non-Executive Directors;
- (b) in determining the remuneration policy in accordance with paragraph (a) above, 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 “**UK Governance Code**”) and associated guidance. 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 have regard to the risk appetite of the Company and alignment to the Company’s strategic long-term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long-term success of the company;
- (c) determine the policy in relation to compensation agreed to be paid to any Executive Director or members of the executive management team in connection with the early termination of their employment and, where appropriate, office as director;
- (d) when setting remuneration policy for directors, review and have regard to pay and employment conditions across the Company or Group, especially when determining annual salary increases;
- (e) within the terms of the remuneration policy recommend the total individual remuneration package of the chair of the Board and the Chief Executive Officer, including bonuses, incentive payments and share options or other share awards;
- (f) within the terms of the remuneration policy and in consultation with the chair of the Board, consider and, if deemed appropriate, recommend the Chief Executive Officer’s proposal for the total individual remuneration package of each Executive Director (other than himself) and each member of the executive management team, including bonuses, incentive payments and share options or other share awards;
- (g) in determining or considering (as applicable) the packages and arrangements in (e) and (f) above, give due regard to any relevant legal requirements, the provisions and recommendations in the UK Governance Code, the UK Listing Authority’s Listing Rules and Financial Conduct Authority’s (“**FCA**”) Remuneration Code and associated guidance;
- (h) obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it 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, within any budgetary restraints imposed by the Board;
- (i) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;

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<sup>1</sup> Shareholder approval will be required under the Articles where the Directors’ fees for their services exceed in the aggregate an annual sum (excluding amounts payable under any other provision of the Articles) of \$2 million.

- (j) recommend the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes taking into account the Board's overall assessment of the Group's annual performance;
- (k) 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 to Executive Directors and members of the executive management team and the performance targets to be used;
- (l) ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company;
- (m) oversee any major changes in employee benefits structures throughout the Company or the Group;
- (n) agree the policy for authorising claims for expenses from the directors; and
- (o) work and liaise as necessary with all other board committees.

## **10. Reporting Responsibilities**

- 10.1 The chair of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 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 and the UK Governance 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 ensure each year that it is put to shareholders for approval at the annual general meeting. 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.
- 10.4 Through the chair of the Board, ensure that the company maintains contact as required with its principal shareholders about remuneration.

## **11. Other Matters**

- 11.1 The Committee shall, at least once a year, review its own performance, 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. The chair of the Committee shall report annually to the Board on the substance of the Company's remuneration policy.
- 11.2 The Committee shall:
  - (a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
  - (b) 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;
  - (c) give due consideration to laws, regulations provisions of the UK Governance Code, the requirements of the UK Listing Authority's Listing Rules, Prospectus Rules and

Disclosure Guidance and Transparency Rules and the FCA's Remuneration Code;  
and

- (d) give due consideration to guidelines published by the Association of British Insurers and the National Association of Pension Funds, as appropriate.

## **12. Authority**

- 12.1 The Committee is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference. To help the Committee to 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, within any budgetary restraints imposed by the Board.
- 12.2 Although the Committee can seek the advice and assistance of the executive management, it must ensure that this role is clearly separated from their role within the business.