COVENTRY BUILDING SOCIETY GROUP BOARD REMUNERATION COMMITTEE
AND
THE CO-OPERATIVE BANK P.L.C. BANK BOARD REMUNERATION COMMITTEE

Combined Terms of Reference

1. CONSTITUTION

1.1 The combined terms of reference of Coventry Building Society (the 'Society') and The Co-operative Bank p.l.c. (the 'Bank') were approved by the board of the Bank on 20 April 2026 and the board of the Society, (together with its subsidiaries, the 'Group') on 20 April 2026.

The Bank and its subsidiaries are wholly owned by The Co-operative Bank Finance p.l.c. which is wholly owned by The Co-operative Bank Holdings p.l.c. which is in turn wholly owned by the Society.

The purpose of each Committee is to:

1.2 Assist their respective boards to fulfil their responsibility to the Group's members, customers and other stakeholders to ensure that remuneration policy and practices of the Group and the Bank reward fairly and appropriately, with a clear link to corporate and individual performance and support the purpose, long-term strategy and values of the Group (including the Bank), supporting and encouraging desired behaviours and culture; whilst, having regard to statutory and regulatory requirements as well as economic and external trends;

1.2.1 Review and approve remuneration policies, including base pay, long and short-term incentives (including variable remuneration) for the employees of all Group entities;

1.2.2 Ensure that consistency in remuneration practice and its cost across the Group is achieved;

1.2.3 Satisfy itself that remuneration practices comply with the relevant regulatory and other requirements that the Group is subject to;

1.2.4 Satisfy itself that the remuneration framework is in line with the risk appetite, purpose, long-term strategy and values of the Group; and its stakeholders are free from any form of bias;

1.2.5 Review and approve recruitment, service contracts and severance policies for Group and/or Bank Executives and Group and/or Bank Executive Directors;

1.2.6 Review and approve pension and superannuation arrangements and other benefits;

1.2.7 Engage with external remuneration advisers as necessary, and ensure their independence;

1.2.8 Make whatever recommendations to the Group Board and/or the Bank Board it deems appropriate on any area within each of the committees' remit where action or improvement is needed.

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2. ALIGNED BOARD MODEL

2.1 The Remuneration Committees of the Group and the Bank operate an aligned Board model. This includes joint meetings for the Remuneration Committees where meeting agendas clearly identify which items concern which entity (Group, Society and/or Bank).

3. ENTITIES TO WHICH THESE TERMS OF REFERENCE APPLY

3.1 Sections of these terms of reference which apply only to the Remuneration Committee of the Group are headed "Group Board Remuneration Committee only".

3.2 Sections of these terms of reference which apply only to the Remuneration Committee of the Bank are headed "Bank Board Remuneration Committee only".

4. MEMBERSHIP

4.1 The chair of each Committee (the '**Chair**') shall be an independent non-executive director, who has served at least 12 months on a remuneration committee, appointed by the respective Board.

4.1.1 Group Board Remuneration Committee only: Appointment of the Chair will be made by the Group Board following the recommendation of its Board Nomination and Governance Committee and shall not be the Chair of the Group Board.

4.1.2 Bank Board Remuneration Committee only: Appointment of the Chair will be made by the Bank Board following the recommendation of its Board Values & Ethics and Nomination Committee and shall not be the Chair of the Bank Board.

4.2 In the absence of the Chair (and/or an appointed alternate member), the members present at any meeting of the Committee shall elect one of their number to chair the meeting.

4.3 Group Board Remuneration Committee only: Membership of the Committee shall compromise a minimum of three and maximum of six members, who shall be independent non-executive directors (within the meaning of the UK Corporate Governance Code), including a member of the Group Board Risk Committee. Members shall be appointed by the Group Board, on recommendation from its Board Nominations and Governance Committee.

The Chair of the Group Board may serve on the Committee if considered independent on appointment as Chair of the Board but shall not be present at any discussion by the Committee relating to their fees.

4.4 Bank Board Remuneration Committee only: Membership of the Committee shall compromise a minimum of three and maximum of six members, who shall be independent non-executive directors, including a member of the Bank Board Risk Committee. Members shall be appointed by the Bank Board, on recommendation from its Board Values & Ethics and Nomination Committee.

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The Chair of the Bank Board may serve on the Committee if considered independent on appointment as Chair of the Board but shall not be present at any discussion by the Committee relating to their fees.

4.5 The members of each of the Committees shall disclose to their respective Committee:

4.5.1 any personal financial interest in any matter to be decided by the Committee; or

4.5.2 any potential conflict of interest arising from a cross directorship outside of the Group. 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.

4.6 No person shall participate in decision making by the Committee (or during a relevant part) at which any part of their remuneration is being directly discussed or participate in any recommendation or decision specifically concerning their remuneration.

4.7 Appointments to each of the Committees shall be for a term of three years, extendable by no more than two additional three year terms, provided the director still meets the criteria for membership of the Committee.

5. SECRETARY

5.1 The company secretary of the Group, or their nominee shall act as the secretary of the Committee (the '**Secretary**').

5.2 The Secretary should ensure that the Committee receives information and papers in a timely manner to support full consideration of the issues, the agenda having been agreed by the Chair in advance.

6. QUORUM AND VOTING

6.1 The quorum necessary for the transaction of business shall be two members, one of whom must be the Chair or appointed deputy, present throughout the meeting.

6.2 In the event of an equality of votes, the Chair shall have a casting vote.

6.3 A member may be present for the purpose of paragraph 6.1 in person, by telephone, by videoconference or by other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. A duly convened meeting of each of the Committees 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.

6.4 In alignment with the Rules of the Society (Validity to Act) and the Articles of the Bank (resolutions without meetings), a resolution which is signed or approved by all the directors entitled to vote (members of the Committee) on that resolution (and whose vote would have been counted) shall be as valid and effectual as if it had been passed at a meeting duly called and constituted.

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7. NOTICE OF MEETINGS

7.1 Meetings of each Committee may be convened at any time by the Chair, the chair of the Board or upon the recommendation of the Group/Bank Chief Executive Officers, or on the reasonable request of any Committee member who considers it necessary.

7.2 Unless otherwise agreed, notice of each meeting of the Committees confirming the venue, date and time together with an agenda of items to be discussed and supporting papers where appropriate shall be forwarded to each member of the Committee and to each other person invited to attend, in a timely manner to enable full and proper consideration of issues.

8. ATTENDANCE AT MEETINGS

8.1 Only the Chair and Committee members shall have the right to attend and vote at meetings of the Committee. However, other executive and non-executive directors of the Group Board or the Bank Board, external advisors and representatives from relevant business functions of the Bank may be invited to attend all or part of any meeting as and when appropriate.

8.2 The Group/Bank Chief Risk Officers will be required to attend at least one meeting per annum for the purpose of providing advice to the Committee on risk adjustments to be applied to performance objectives and targets and in connection with the risks arising from remuneration policies.

8.3 The Chair of the Board to the extent not already a member of the Committee and/or the Group/Bank Chief Executive Officers may be invited by the Committee to attend meetings to discuss the performance of other executives and to make proposals as necessary.

8.4 The Chair may consult the other non-executive directors in the Committees' evaluation of the Group/Bank Chief Executive Officers in the context of their role as Chief Executive Officer of the Group and Chief Executive Officer of the Bank.

8.5 No director, executive or senior manager shall be present at any meeting of the Committee when their own remuneration is being discussed.

9. FREQUENCY OF MEETINGS

9.1 Meetings shall be held no fewer than four times a year. Meetings can be convened at any other time where circumstances require, in accordance with paragraph 7.1.

10. MINUTES OF MEETINGS

10.1 The Secretary, or their nominee shall minute the proceedings and decisions of all Committee, including the names of those present and in attendance.

10.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee.

10.3 Group Board Remuneration Committee only: The Committee Chair will be available at the Society's Annual General Meeting to answer questions from members falling within the Committee's remit.

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11. DUTIES

The responsibilities of each Committee will be:

11.1 Setting the Group's remuneration framework and Remuneration Policy

11.1.1 To determine and recommend to the Group Board for approval, and the Bank Board for endorsement the Group's Remuneration Policy, taking into account the link between risk appetite, business strategy, culture, values, purpose and the long-term sustainable success of the Group, whilst complying with applicable legislation and regulation including the provisions of the Prudential Regulation Authority ("PRA") and Financial Conduct Authority ("FCA") Remuneration Codes, UK Corporate Governance Code ("Corporate Code"), the Companies Act 2006 ("CA06") where appropriate and relevant economic and external trends and to ensure that remuneration policy remains appropriate and relevant.

11.1.2 Group Board Remuneration Committee only: to review and approve the principles, parameters and governance of the Group remuneration framework as applicable to the Group's workforce with input from the Bank Board Remuneration Committee as necessary, including but not limited to the methods of measuring performance; fixed and variable remuneration; employee share plans; pension arrangements; malus, clawback and other risk adjustment mechanisms; severance plans.

11.1.3 Group Board Remuneration Committee only, with input from Bank Board Remuneration Committee as necessary: to satisfy itself that the framework is aligned with the Group's risk appetite, business strategy, culture, values, purpose and long-term sustainable success of the Group; and is free from bias of any form.

11.1.4 In discharging this responsibility the Committees shall:

11.1.4.1 exercise discretion and judgement in the application of remuneration policies to promote the long term success of the Group for the benefit of members;

11.1.4.2 include measures in the remuneration approach to avoid potential conflicts of interest in the design of incentive arrangements and to ensure the interests of employees and members are appropriately taken into account;

11.1.4.3 receive from the Group CRO and the Bank CRO reports on the management of risk relating to the Group remuneration framework (including whether the Remuneration Policy is compliant with the PRA's Remuneration Code);

11.1.4.4 obtain the advice of the Group Board Risk Committee and/or Bank Board Risk Committee, via the Chief Risk Officer's report, regarding risk matters that may have an impact on variable remuneration (including a view on

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whether performance objectives drive excessive risk taking);

11.1.4.5 consider the performance of individuals and whether any risk adjustment is required. In the case of the Group CRO and the Group CIA, the Chairs of the Group Board Risk Committee and the Group Board Audit Committee respectively shall provide their input and performance ratings prior to consideration by the Group Board Remuneration Committee; and

11.1.4.6 ensure the reward, incentives and conditions available to the Group's workforce are taken into account when deciding the pay of Executive Directors and Executives.

11.2 Authorising Specific Remuneration Arrangements for Executives

11.2.1 Group Board Remuneration Committee only: within the terms of the agreed Remuneration Policy, to determine the remuneration of Executive Directors and Executives in order to attract, retain and motivate Executives of the quality required to run the Group successfully, without paying more than is necessary, including (to the extent applicable):

11.2.1.1 base salary;

11.2.1.2 participation in and awards arising from variable remuneration;

11.2.1.3 pension arrangements, including the level of contributions by the Group;

11.2.1.4 other benefits in cash or in kind; and

11.2.1.5 when determining executive director remuneration policy and practices, consider clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.

11.2.2 To ensure, where relevant, that any payments made in respect of any remuneration package are permitted under the latest member approved (on an advisory basis) Remuneration Policy.

11.2.3 Within the terms of the agreed Remuneration Policy, to decide on any ex-gratia payments to be made or benefits granted to Executives.

11.2.4 Exercise any discretion or judgement on remuneration issues in accordance with the Remuneration Policy including clawback, deferral and malus assessments.

11.2.5 Group Board Remuneration Committee to agree the Expenses Policy for Executive Directors and Bank Board Remuneration Committee to endorse the policy.

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11.2.6 To approve or decline the retention by Executives of any financial rewards from external directorships or similar appointments.

11.2.7 Group Remuneration Committee only: to consider and approve the buyouts of forfeited rights for any new appointments.

11.2.8 Bank Board Remuneration Committee only: ratify, or otherwise, the remuneration arrangements determined at the Group level and in line with the terms of the agreed Remuneration Policy for Bank only Executives.

11.3 Oversight of variable remuneration for Executives

11.3.1 Group Board Remuneration Committee only: approve the introduction of new Group variable remuneration or significant changes to such plans;

11.3.2 Bank Board Remuneration Committee only: approve significant change to historical Bank variable remuneration plans;

11.3.3 Group Board Remuneration Committee only: approve the design of and determine targets for variable remuneration operated by the Group ensuring they are based on appropriate qualitative and quantitative criteria, with an appropriate balance between fixed and variable remuneration and such arrangements are compliant with the requirements of applicable law and regulation;

11.3.4 exercise its judgement and discretion to determine each year whether awards will be made, and if so, the overall amount of such awards and the individual awards to be made to participants under any such plan ensuring such arrangements are compliant with applicable law and regulation and consistent with the Group's belief of putting members and customers first.

11.4 Remuneration of the Chair of the Group Board and Chair of the Bank Board

11.4.1 Group Board Remuneration Committee only: to review, and as necessary approve, the fees of the Group Board Chair and Bank Board Chair.

11.5 Oversight of Employee Remuneration Arrangements

Group Board Remuneration Committee only:

11.5.1 To oversee the overall reward approach for the Group's employees including base pay, benefits, and incentives.

11.5.2 To approve the Success Share annually payable to all Group employees.

11.5.3 To oversee major changes in employee benefits structures impacting the Group's employees as a whole or a significant proportion of the Group's employees.

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11.6 **Regulatory Obligations**

11.6.1 Group Board Remuneration Committee only: to ensure that the disclosure of remuneration, both internally, and externally follows the PRA's rules regarding remuneration disclosure including the guidelines on remuneration rules for high earners.

11.6.2 To review and approve the PRA Remuneration Policy Statement

11.6.3 Group Remuneration Committee only: in relation to Directors of the Group, members of the Group's Executive Committee, and other employees of the Group identified as Senior Management Function holders and Material Risk Takers for the purposes of the PRA Remuneration Code and applicable FCA Remuneration Codes (collectively referred to as 'SMFs' and 'MRTs'):

11.6.3.1 review and approve the approach to identification of SMFs MRTs and list of SMFs and MRTs (including any exclusions);

11.6.3.2 delegate authority to the Group CEO and Group CPO to approve the remuneration packages (MRT service contracts, performance related pay schemes, pension arrangements) for MRTs; ensuring MRTs are incentivised and encouraged to support the long-term sustainable success of the Group, aligned with the Group's purpose and values, with due regard to the remuneration trends; and

11.6.3.3 ensure any policy for performance-related remuneration for MRTs includes provisions that would enable the Group to recover sums paid or withhold the payment of any sum (i.e. clawback, deferral and malus assessments and arrangements) and specify the circumstances in which it would be appropriate to do so in line with legal and regulatory requirements.

11.6.4 Bank Board Remuneration Committee only: in relation to Directors of the Bank, members of the Bank's Executive Committee, and other employees of the Group identified as Senior Management Function holders and Material Risk Takers of the Bank for the purposes of the PRA Remuneration Code and applicable FCA Remuneration Codes (collectively referred to as 'SMFs' and 'MRTs'):

11.6.4.1 review and approve the approach to identification of SMFs MRTs and list of SMFs and MRTs (including any exclusions);

11.6.4.2 delegate authority to the Group CEO and Group CPO to approve the remuneration packages (MRT service contracts, performance related pay schemes, pension arrangements) for MRTs; ensuring MRTs are incentivised and encouraged to support the long-term sustainable success of the Group, aligned with the

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Group's purpose and values, with due regard to the remuneration trends; and

11.6.4.3 ensure any policy for performance-related remuneration for MRTs includes provisions that would enable the Bank to recover sums paid or withhold the payment of any sum (i.e. clawback, deferral and malus assessments and arrangements) and specify the circumstances in which it would be appropriate to do so in line with legal and regulatory requirements.

11.6.5 To oversee remuneration arrangements required by the PRA Remuneration Code, including remuneration for employees in control functions such as Internal Audit, Risk, Compliance, People and General Counsel.

11.6.6 To adhere to the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and publish and report specific data about the Group's gender pay gap on an annual basis, in accordance with regulatory guidance and adhere to any other mandatory pay gap reporting that may become applicable from time to time.

11.6.7 To ensure remuneration arrangements are consistent with the Group's Consumer Duty obligations.

11.7 Reporting and Disclosures

11.7.1 The Chair shall report on Committee business to the Board after each meeting with such recommendations as the Committee may deem appropriate.

11.7.2 Group Remuneration Committee only: to compile a report detailing how it discharged its responsibilities for inclusion in the Group's Annual Report & Accounts, including a description of the significant issues dealt with by the Committee and other matters required to be disclosed under the Corporate Code and relevant regulations.

11.7.3 Group Remuneration Committee only: to produce a Directors' Remuneration Report which shall comprise all matters required to be disclosed under the Corporate Code and relevant regulation, including a statement from the Chair of the Committee, an annual report of the Group's implementation of its Directors' Remuneration Policy and either a summary of the Directors' Remuneration Policy or, in a year in which such policy is put to members (triennial or any significant changes) for approval at the Society's Annual General Meeting (AGM), the full policy and which will form part of the Group's Annual Report.

11.7.4 Group Remuneration Committee only: to ensure that the Directors' Remuneration Report is put to members for approval at the AGM each year, and in addition will put its Directors' Remuneration Policy to members for approval at the AGM at least every three years or for any significant changes.

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11.7.5 Group Board Remuneration Committee only: Where a remuneration consultant is appointed, ensure that the consultant is identified in the Annual Report alongside a statement about any other connection it has with the Group or individual directors.

11.7.6 Bank Board Remuneration Committee only: review and approve the remuneration disclosures in the Bank's Pillar 3 document.

11.7.7 Ensure appropriate remuneration disclosures are made in accordance with regulatory requirements on the Society's and the Bank's website.

11.8 **Reviewing Committee Performance**

11.8.1 To arrange periodic assessments of Committee effectiveness including a review of whether the Committees' cycle of activity remains appropriate to the Group, and where applicable the Bank's needs and report the output of this activity to the Group Board and where applicable the Bank Board.

11.8.2 To review these Terms of Reference annually to ensure the Committee is operating at maximum effectiveness and recommend any changes to the respective Boards for approval.

11.9 **External Advice**

11.9.1 To be authorised to obtain external legal or independent professional advice and/or training at the Group's expense by appointing remuneration consultants and/or engaging by relevant third parties when it reasonably deems necessary to discharge its responsibilities. The Committees shall exercise independent judgement when evaluating advice received from such consultants and third parties or when receiving benchmarking information.

11.10 **Subsidiary Oversight**

Group Board Remuneration Committee only:

11.10.1 Oversee the remuneration arrangements of the Group including exercising oversight over remuneration matters relating to the Bank, noting that the Bank Board Remuneration Committee is responsible for the oversight of the remuneration arrangements of the Bank and its subsidiaries.

11.10.2 Request any information it considers appropriate from any of the subsidiary board committees which oversee subsidiary-level remuneration matters.

12. OTHER MATTERS

The Committee shall:

12.1 Assist the SMFs of the Group in fulfilling their prescribed responsibilities.

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12.2 Where matters are being discussed in relation to a prescribed responsibility, ensure the relevant SMF role holder attends and participates in the discussion, or if unable to attend, ensure that they are suitably represented.

12.3 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.

12.4 Give due consideration to applicable laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies and formation and operation of share schemes as appropriate.

12.5 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.

12.6 Work and liaise as necessary with all other Board committees ensuring interaction between committees and with the Board is reviewed regularly.

13. AUTHORITY

The Committee is authorised to:

13.1 seek information that it requires from any employees of the Group in order to perform its duties.

13.2 appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, and to obtain inside or outside legal or other professional advice, at the expense of the Bank but within any budgetary restraints imposed by the Board.

13.3 use external advisers to ensure practice is in line with the market, with regulatory and legal guidance as appropriate. The Committee shall have the authority to appoint consultants in respect of Executive Director remuneration and shall consider how such advice is independent and objective.

13.4 Subject to the Society's Rules and the Bank's Articles, the Committee may delegate its powers and authority as it sees fit, including without limitation the establishment of a sub-committee to consider particular issues and report back to the Committee.

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