

EXECUTIVE REMUNERATION POLICY

We ensure our remuneration policy follows core principles of:

- **Clarity**
 - We provide open and transparent disclosures of our Executive Directors' and Non-Executive Director (appointed and elected) remuneration arrangements.

- **Simplicity**
 - We aim to ensure that remuneration arrangements for both our Executive Directors and the wider workforce are as simple as possible to drive understanding and engagement.

- **Predictability and proportionality**
 - Our Remuneration Policy contains details of maximum opportunity levels for each component of pay, with actual outcomes varying depending on the level of performance achieved against specific measures for the Executive Directors.

- **Alignment to the organisation purpose, values and priorities**
 - We ensure the metrics used to measure performance for annual bonus drive behaviours that are consistent with the business purpose, values and organisation priorities.

Our approach is applied across the four key elements that make up our remuneration policy in relation to the Executive team (Board members consisting of all appointed and elected Non-Executive Directors and Executive Directors).

Executive Director remuneration

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| Component: Base Salary | |
| Objective | To provide a market-competitive level of pay base which enables us to attract and retain talent. |
| Application | <p>Pay is reviewed annually, with increases effective from 1 April*.</p> <p>Professional advice and benchmarking are provided through external advisors to ensure alignment with market data and best practice.</p> <p>Salaries are set by the Remuneration Committee reflecting:</p> <ul style="list-style-type: none"> • Complexity, scope and responsibilities of the role • Skills and experience of the individual • External benchmarking - using appropriate market data for companies of broadly similar size, sector and scope to Nominet. (Membership and Technology sectors) • Base salaries are defined using a blend of the following peer benchmarks: |

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| | <ul style="list-style-type: none"> ○ Upper Quartile (75thile) of Membership Organisations ○ Median (50thile) of similar sized Technology Companies <p>We ensure we balance the need to pay competitively with the need to maintain a reasonable cost structure.</p> <p>Salaries effective at the end of the year are disclosed in the Annual Report on Remuneration together with the relevant benchmark positions.</p> <p>(*Non-Executive and previous Executive Director base salaries are currently frozen until 2023)</p> |
| Opportunity | Salaries are reviewed annually. Factors that are considered include market rate reviews, changes in role and responsibilities and individual performance. |
| Performance measure | Not applicable |

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| Component: Annual Bonus | |
| Objective | To focus Executive Directors and Leadership Team members on achieving annual targets that drive Company performance and reinforce our purpose. |
| Application | <p>Individual Performance targets are set and agreed by the Board at the start of the financial year in line with the annual Company targets.</p> <p>After the end of the financial year, the Remuneration Committee determines the extent to which these targets have been achieved.</p> <p>50% of the total bonus payment is paid in line with delivering the Company targets and the remaining 50% is paid in line with delivering individual performance targets.</p> |
| Opportunity | <p>Our objective is to have a competitive bonus scheme.</p> <p>Current maximum bonus opportunities in respect of a financial year are as follows:</p> <p>CEO –up to 75% of base salary* (currently vacant)</p> <p>Executive Directors and Leadership Team members between 30% and 60% of base salary*</p> |

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| | * The annual bonus structure and related targets are currently under review and subject to change for FY23 |
| Performance measure | <p>Payment is determined by reference to company and individual performance, assessed over one financial year based on performance against the targets set.</p> <p>In exceptional circumstances the Committee retains the discretion to change performance measures, target and/or weightings attached to the performance measure part way through a year if there is a significant and material event which causes the Committee to believe that the original measures, weightings, and targets are no longer appropriate.</p> <p>The Committee also may exercise discretion if the Committee believe that the bonus outcome is not a fair and accurate reflection of the performance. The exercise of this discretion may result in a downward or upward movement in the amount of bonus earned resulting from the application of the performance targets.</p> <p>The Committee will disclose the targets and corresponding bonus payout in the relevant year's Annual Report.</p> |

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| Component: Pension | |
| Objective | To provide a competitive level of retirement benefit. |
| Application | <p>Nominet operates a Group Personal Pension (GPP).</p> <p>Executive Directors are provided with a matched employer contribution to this scheme or a cash allowance of equivalent value where applicable to their individual circumstances.</p> |
| Opportunity | <p>A maximum contribution of Employee contribution up to 20% of base salary.</p> <p>A maximum Employer match contribution of 10% of base salary. (Base salary is the only element of remuneration that is pensionable).</p> |
| Performance measure | Not applicable |

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| Component: Benefits | |
| Objective | To provide a range of core and flexible benefits in line with at least market competitive practices, whilst remaining cost effective, in support of broader wellbeing for employees. |
| Application | Executive Directors are provided with a company car cash allowance, life assurance and private medical insurance. Other benefits may be provided or introduced from time to time to ensure the benefits package is appropriately competitive and reflects the circumstances of the individual Director or historical legacy arrangements. |
| Opportunity | We offer a range of additional flexible benefits which individuals can add to their total benefits package at their own cost. |
| Performance measure | Not applicable |

Chair and Non-Executive Director Remuneration Policy

Both Appointed (including Chair) and Elected Non-Executive Directors enter into a contract for services which specifies they are not eligible to participate in the Company's annual bonus, benefits or pension plans.

Details of the policy on fees paid to the Company's Non-Executive Directors are set out in the table below.

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| Component: Fees | |
| Objective | To attract, reward and retain Non-Executive Directors of the highest calibre with broad commercial and industry sector experience relevant to the business. |
| Application | <p>The fees paid to Non-Executive Directors (including the Chair) are proposed and determined, in line with external advice and best practice, by the Executive.</p> <p>Non-Executive Directors and the Chair receive a single base fee.</p> <p>Additional fees are payable for additional Board duties, such as acting as Chair of Audit & Governance, Nomination and Remuneration Committees, and to the Senior Independent Director.</p> <p>Fee levels are normally reviewed bi-annually, with any adjustments made typically effective from 1 October. All Board fees are currently frozen until 2023.</p> <p>Fees are reviewed by considering best practice and appropriate market data including fee levels at other companies of broadly similar size, sector and scope to Nominet.</p> <p>In accordance with the Company's expenses policy, the Chair and the Non-Executive Directors may be provided with accommodation and travel expenses to carry out their duties. This may include the settlement by the Company of any associated tax liabilities in relation to these expenses.</p> |
| Opportunity | The fees paid to Non-Executive Directors are disclosed in the Annual Report on Remuneration. |
| Performance measure | Individual Performance is managed annually by the Chair, in line with role expectations and using the company performance process. |