



# People & Compensation Committee

## Terms of Reference

### 1 Appointment and membership

The People and Compensation Committee (“PCC”) and the chair of the PCC are appointed by the Board among the members of the Board. The committee shall customarily have at least four (4) members. The term of service for PCC members is customarily for the duration of their terms on the Board. The appointment remains in force unless and until the Board decides otherwise.

The Board shall be entitled to appoint additional voting members to provide specialist skills, knowledge and experience, as may be recommended by the Chair of the PCC. The term of these expert members will customarily be for three (3) years and their appointment is subject to renewal and/or removal by the Board.

A quorum shall be three (3) appointed members of the Board for any meeting at which the PCC’s delegated powers are to be exercised, and otherwise if no decision is to be taken, two (2) members. The Chair of the PCC or the Chair of the Board may nominate alternative board delegates if one or two appointed members of the Board are unable to attend a meeting.

All appointments shall be made with due regard to the need to understand CEPI’s objectives, structure and culture, and other legislative and accountability contexts within which it operates. PCC members will be expected to have skills and experience relevant to those matters addressed in the PCC.

Any costs associated with the Board appointing additional members or the PCC extending invitations to experts in an observer or ad hoc capacity, will be borne by CEPI, including reasonable consulting or professional fees and travel costs.

The Secretary to the PCC is the Executive Director (Executive Director) of People & Organization.

### 2 Attendance of non-members at meetings

The Executive Director of People & Organization (the PCC Secretary) and the Deputy CEO (DCEO) will attend all meetings.

The CEO may attend meetings, as requested by Chair of the PCC. The Executive Director of Governance, Strategy, Portfolio and Biosecurity may attend meetings, in particular in relation to nominations, as requested by the Chair of the PCC.

The Chair of the PCC may invite other members of CEPI staff to join as required. The Chair of the PCC may hold executive sessions that are restricted to members of the committee.

The PCC may invite independent experts to participate in its meetings as observers or on an ad hoc basis to provide insights and/or guidance on issues that may be referred to them. In cases where PCC deems appropriate and necessary, it may recommend to the Board for the appointment of independent experts as voting members as referred above.

### 3 Frequency of meetings

Meetings shall be held according to need, with an expectation of at least 4 short meetings a year.

Agenda and papers shall be sent to PCC members and all other people required to attend, ideally 5 but no later than 2 working days before the date of the meeting

## 4 Delegated authority

The PCC is authorised by the Board to investigate any activity within these terms of reference and, within its scope of responsibilities, to seek any information it requires and to ensure the attendance of management representatives at meetings as appropriate.

The PCC has the authority to request outside legal or independent professional advice on compensation matters.

## 5 Reporting procedures

Minutes of the meetings shall be circulated within 10 working days of the meeting taking place to the chair of the PCC and then to all members and attendees of the PCC.

A summary of PCC meetings shall be provided to the Board at the next meeting, with full minutes available on request. The PCC Chair will summarise PCC discussions at Board meetings.

The PCC shall, on a yearly basis, 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.

## 6 The PCC's responsibilities

The responsibilities of the PCC shall be to:

### 1. People

- a) Review, advise on, and endorse the people strategy developed to achieve CEPI's strategic ambitions, including developing a diverse and inclusive workforce.
- b) Review the annual People & Organisation report and other reports relating to staff engagement, workforce composition, diversity and inclusion, gender pay gaps.

### 2. Compensation

- a) Review and approve CEPI's total compensation approach and policy, if applicable. Total compensation includes base salary, pension, insurance, and any sign-on, retention or performance bonuses or other emoluments deemed warranted and necessary.
- b) Review and endorse CEPI's proposed annual salary budget, in advance of approval by the Board.
- c) Review and approve any change proposal for performance-based pay. If this element is introduced, it will be part of the total compensation (ref. points a, d and e)
- d) Approve total compensation for new appointments to the Executive Director team, which includes the CEO, DCEO and all Executive Directors.
- e) Review the total compensation for senior management on an annual basis. Senior management consists of the CEO and the management directly reporting to the CEO and the DCEO.
- f) Review and approve severance arrangements, retirement arrangements and any special benefits for senior management.

### 3. Nomination of Board members

- a) Nominate the independent members of the board and their terms of service (for ratification by the Board) as set out in Articles of Association 5.2
  - i. In doing so, pay due consideration to the competencies of the board, diversity of experience and thought, geography and gender, ensuring a good overall board dynamic.

- b) Propose levels of compensation for independent board members, for approval by the Members meeting.
- c) Cooperate with the Investors Council to ensure an effective Board with a particular focus on complementarity of competency and rotations for investor and independent board seats.
- d) The PCC Chair will also work with CEPI Management on:
  - i. The appointment of the Chair of the JCG
  - ii. The appointment of the Chair of the SAC
  - iii. The appointment of members to the SAC

All of these matters require ratification by the Board, and are expected to include engagement with the PCC during the process

- e) The PCC will also maintain and review an overview of the competency matrix for the Board

The committee in addition may be asked to look at any other topic on which it is seen as the most appropriate body.

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