

IntegraFin Holdings plc
REMUNERATION COMMITTEE
TERMS OF REFERENCE
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IntegraFin Holdings plc

REMUNERATION COMMITTEE

TERMS OF REFERENCE

1 Remit

- 1.1 The Remuneration Committee ("Committee") is established as a Committee of the board of directors of IntegraFin Holdings plc (respectively "the Board" and "IH" or "the Company").
- 1.2 The purpose of the Committee is to review, set or agree, as specified below, the overall remuneration policy and strategy for IH and other companies within the same group as IH (the "Group") that employ staff (with the exception of those staff employed in Australia) and the total compensation package for certain officers and employees within the Group. It does so with a view to aligning remuneration with the successful achievement of the Group's long-term objectives whilst taking into account the UK Corporate Governance Code, relevant regulatory requirements, market rates and value for money.
- 1.3 The Committee is also responsible for reviewing the overall remuneration policy statement ("RPS") prepared by Integrated Financial Arrangements Ltd ("IFAL") setting out how the regulated companies within the Group comply with regulatory requirements on remuneration.
- 1.4 The Committee only has authority to act on behalf of the boards of other Group companies to the extent delegated to it by those board(s).
- 1.5 In all its activities the Committee shall give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code ("the Code"), the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate.

2 Membership

- 2.1 The Committee shall comprise at least two members, and members all shall be independent non-executive directors of IH. The chairman of the Board may also serve on the Committee as an additional member or as a non-member invitee if he or she was considered independent on appointment as chairman. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the chairman of the Remuneration Committee.
- 2.2 The chairman of the Committee shall be an independent non-executive director of IH appointed by the Board.
- 2.3 The other members shall be such other non-executive directors of IH as appointed by the Board.
- 2.4 The quorum necessary for the transaction of the Committee's business shall be two members.
- 2.5 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chairman of the Board, chief executive, directors of subsidiaries, the head of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.6 Appointments to the Committee shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members (other than the chairman of the Board, if he or she is a member of the Committee) continue to be independent.

- 2.7 In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the board. The chairman of the Board shall not be chairman of the Committee.
- 2.8 At the discretion of the chairman, members can be present at meetings by telephone or video-conference, provided that each member is able to hear each other member present.
- 2.9 The Committee may from time to time retain the services of appropriate external expertise familiar with the specific remuneration, audit and finance issues affecting the Group to act in the capacity of adviser to the Committee.

3 Responsibilities and Methodology

3.1 Group Remuneration Policy & Remuneration Policy Statement (RPS)

The Committee shall:

- 3.1.1 Have responsibility for reviewing the ongoing appropriateness, effectiveness and relevance of the remuneration policy (the "Remuneration Policy") (including the policy for termination and non-contractual payments) for the Group and annually reviewing its continuing relevance and appropriateness including pension rights and any compensation payments, for the approval of the Board.
- 3.1.2. Seek assurance from the Head of Legal that the implementation of the Remuneration Policy is, at least annually, subject to independent internal review for compliance with relevant laws, regulations and any published guidelines and recommendations
- 3.1.3 In reviewing the Remuneration Policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance. Particular regard is to be paid to the regulatory requirements for an investment firm and an insurance undertaking.
- 3.1.4 Seek assurance from the CEO that all companies within the Group comply with the remuneration requirements set out in the Remuneration Policy.
- 3.1.5 Review the appropriateness and relevance of the RPS to include, inter alia, which individuals should be classified as Code Staff, the structure of salary and bonus by reference to the Remuneration Policy (but not salary or bonus awards, save as set out below) with particular regard to regulatory considerations including, as appropriate, SYSC 19A and the PRA Remuneration rules.
- 3.1.6 Review the overall appropriateness of proposed annual staff pay award and bonus payment by reference to the RPS and the Remuneration Policy.

3.2 Individual Remuneration

- 3.2.1 The Committee shall, within the terms of the agreed Remuneration Policy and in consultation with the IH chairman and/or chief executive, as appropriate, have responsibility for setting the total remuneration for each IH executive director, IFAL Chief Operating Officer, IFAL Chief Development Officer, Group Counsel and the IH chairman, including bonuses, pension rights, incentive payments, share options or other share awards and any compensation payments.
- 3.2.2 The Board (excluding the non-executive directors) or, where required by the Articles of Association, the shareholders should determine the remuneration of the IH non-executive directors within the limits set in the Articles of Association. No director or senior manager shall be involved in any decisions as to their own remuneration.
- 3.2.3 approve the total remuneration of the Chief Executive.

- 3.2.4 approve the total remuneration in respect of the IH chairman.
- 3.2.5 The Committee shall directly oversee the remuneration of the IFAL Compliance Oversight Function Holder and the person with overall responsibility for risk management, to the extent that their remuneration is not already set by the Committee by reference to paragraph 3.2.1 above, by considering whether the structure of their remuneration, including the percentage of variable elements as a proportion of their total remuneration, is likely to lead to conflicts of interest that might encourage inappropriate risk taking.
- 3.2.6 When reviewing the Remuneration Policy in respect of the IH directors, ensure that a proportion of variable remuneration should be structured so as to link rewards to corporate performance. If variable remuneration is linked to personal performance, due consideration will be given to the prescribed legal requirements. All variable remuneration shall be designed to promote the long term success of the Company.

3.3 Share Plans

3.3.1 Performance Share Plan ("PSP")

Details of the conditions for the Performance Share Plan ("PSP") are set out in the PSP rules ("Rules").

The Company has delegated to the Committee the authority to grant PSP awards ("Awards") on the following basis.

The Committee shall:

- 3.3.1.1 Grant Awards in compliance with the regulatory requirements applicable to the Company and its subsidiaries and paragraph 3.7 below.
- 3.3.1.2 Approve the design of, and approve targets for, any performance-related pay schemes operated by IH / the Group and approve the total annual payments made under such schemes (in accordance with the provisions in Schedule A of the Code).
- 3.3.1.3 Fulfil its obligations in respect of the PSP in compliance with the Rules when approving:
- (i) eligibility;
 - (ii) grants of Awards;
 - (iii) limits on grants of Awards;
 - (iv) performance conditions applicable to individual grants of Awards;
 - (v) entitlement to and settlement of Dividends;
 - (vi) exercises and lapses of Awards;
 - (vii) clawback of shares granted under Awards; and
 - (viii) the operation of any other discretion permitted by the Rules.
- 3.3.1.4 In the event of any discrepancy between the Rules of the PSP and the authority delegated by the Company to the Committee in this Committee Terms of Reference, the Rules shall prevail.

3.3.2 Share Incentive Plan ("SIP")

3.3.2.1 Details of the conditions for the Share Incentive Plan ("SIP") are set out in the SIP rules.

3.3.2.2 The Company has delegated to the Committee the authority to grant SIP awards in compliance with the SIP Rules.

- 3.3.2.3 The Committee will fulfil its obligations in respect of the SIP in compliance with the SIP rules when determining:
- (i) eligibility for free shares;
 - (ii) eligibility for partnership and matching shares;
 - (iii) holding periods; and
 - (iv) awards of dividends and dividend shares.
- 3.3.2.4 In the event of any discrepancy between the Rules of the SIP and the authority delegated by the Company to the Committee in this Committee Terms of Reference, the Rules shall prevail.

3.4 Administration

The Committee shall:

- 3.4.1 Seek to 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 at the expense of IH but within any budgetary restraints imposed by the Board.
- 3.4.2 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 3.4.3 Ensure that contractual terms on termination, 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. Pension contributions and other elements must be considered.
- 3.4.5 Work and liaise as necessary with all other Board committees.
- 3.4.6 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 Code, are fulfilled and produce a report of the company's remuneration policy and practices to be included in IH's annual report and ensure each year that it is put to shareholders for approval at the AGM. 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.

4 Reporting

The Committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Committee chairman shall provide an update to each individual Group board on matters considered by the Committee relevant to that board.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed in its opinion to achieve the Group's goals.

Through the chairman of the Board, ensure that the company maintains contact as required by the UK Corporate Governance Code with its principal shareholders about remuneration.

5 Meetings

- 5.1 The Committee shall meet at least twice a year and otherwise as required.

- 5.2 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of the Committee chairman.
- 5.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting.
- 5.4 The agendas of the meetings will be structured to allow for both planned topics and to allow discussion time for other items to be raised.
- 5.5 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.
- 5.6 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 5.7 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee.
- 5.8 Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee chairman it would be inappropriate to do so.
- 5.9 Each member of the Committee shall disclose to the Committee:
 - 5.9.1 any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or
 - 5.9.2 any potential conflict of interest arising from a cross-directorship.
- 5.10 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.

6 Annual general meeting

The Committee chairman should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

7 Committee Self Evaluation

- 7.1 The Committee will conduct an annual evaluation of its own effectiveness, which will include a review of its constitution and the activities carried out by reference to these terms of reference, and will report any significant findings to the Board, and/or the board of any subsidiary company as appropriate with any recommendations for changes to these terms of reference.
- 7.2 The Committee members will undertake an annual evaluation of the performance of the chairman and recommend any enhancements it considers necessary to the chairman and the Board. The Committee shall appoint one of their number (who shall not be the chairman) to lead the evaluation of the chairman discussions.
- 7.3 The Committee will ensure that its members take individual responsibility for identifying training appropriate to their needs and keeping appropriate records of such training. Each Committee member shall provide copies of their training record to the company secretary at least annually and will undertake all regulatory training requested by the Group.

8 Support

The Committee shall:

- 8.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 8.2 Be provided with access to appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
- 8.3 Give due consideration to 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 including but not limited to the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules as well as guidelines published by the Association of British Insurers and the National Association of Pension Funds and any other applicable rules, as appropriate.
- 8.4 Obtain, at the Company's expense and to a budget agreed by the Board outside legal or other professional advice on any matters within its terms of reference if necessary to perform its duties or seek any information it requires from any employee in order to perform its duties.