FBD Holdings plc

Terms of Reference

– for –

Remuneration Committee

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Terms of Reference for the Remuneration Committee

1. Membership

1.1 Members of the Committee shall be appointed by the board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee. The Committee shall be made up of at least 2 members. The majority of the Committee shall comprise independent non-executive directors.

1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting as and when appropriate.

1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director remains independent.

1.4 The board shall appoint the Committee Chairman who shall be an independent non-executive director. 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.

2. Secretary

2.1 The company secretary or the committee's nominee shall act as the secretary to the Committee.

3. Quorum

3.1 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.

4. Meetings

4.1 The Committee shall meet at least annually and at such other times as the Chairman of the Committee shall require.

5. Minutes of Meetings

5.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

5.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and shall be available to the Board on request.

6. Annual General Meeting

6.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

7. Duties

The Committee shall:

7.1 determine and agree with the board the framework or broad policy for the remuneration of the company's Chief Executive, Chairman, the executive directors, the non-executive directors, the company secretary and such other members of the executive management as it is designated to consider. No director or manager shall be involved in any decisions as to their own remuneration;

7.2 in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the executive management of the company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group while also ensuring that the principles of sound, prudent risk management are fully reflected and that excessive risk taking is neither encouraged nor rewarded;

7.3 review the ongoing appropriateness and relevance of the remuneration policy;

7.4 approve the design of, and determine the targets for, any performance related pay schemes operated by the company and approve the total annual payments made under such schemes;

7.5 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 other senior executives and the performance targets to be used. Only the Committee shall have the authority to make any awards over the company's shares;

7.6 determine whether the performance criteria for the vesting of any share awards have been met;

7.7 determine the policy for, and scope of, pension arrangements for each executive director, the company secretary and other senior executives of the Group;

7.8 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;

7.9 within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, determine the total individual remuneration package of each executive director, the company secretary and other senior executives of the Group, other than those falling within the scope of the remuneration committee of the board of FBD Insurance plc, including bonuses and other incentive payments ;

7.10 in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code and the Listing Rules of the Irish Stock Exchange and the UK Listing Authority associated guidance;

7.11 oversee any major changes in employee benefits structures throughout the company or group;

7.12 Maintain oversight of the activities, deliberations and decisions of the remuneration committee of the board of FBD Insurance plc in respect of the remuneration package of each member of FBD Insurance plc's executive management to ensure that they do not conflict with or undermine the Group's remuneration policy and, in particular, that they do not encourage the taking of excessive risk;

7.13 ensure that the disclosure of directors' remuneration, including pensions, is clear, transparent, and in compliance with the Listing Rules of the Irish Stock Exchange and the UK Listing Authority; and

7.14 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee and for obtaining reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

8. Reporting Responsibilities

8.1 The Committee Chairman shall report formally to the board annually.

8.2 The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

8.3 The Committee shall produce an annual statement of the company's remuneration policy and practices which will form part of the company's annual report.

9. Other

9.1 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.

10. Authority

10.1 The Committee is authorised by the board to seek any information it requires from any employee of the company in order to perform its duties.

10.2 In connection with its duties the Committee is authorised by the board to obtain, at the company's expense, any outside legal or other professional advice.