



FBD Holdings plc

Terms of Reference

– for –

Board Remuneration Committee

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1. OVERALL PURPOSE AND OBJECTIVES

The Remuneration Committee is a Committee of the Board of Directors (the “Board”) of FBD Holdings plc (the “Company”). It is responsible for ensuring that the Group’s overall reward strategy is consistent with achievement of the Group’s strategic objectives.

In framing remuneration strategy, frameworks and policies, the Committee shall give full consideration to the principles and provisions of the Corporate Governance Requirements for Insurance Undertakings 2015 and UK Corporate Governance Code 2018 and shall take into account the long term interests of shareholders, investors and other stakeholders in the Group.

2. MEMBERSHIP AND ATTENDEES

- i). Members of the Committee and the Chair of the Committee shall be appointed by the Board of the Company, on the recommendation of the Nomination Committee.
- ii). The Chair of the Board may only be a member of the Committee if they were independent upon appointment and may not chair the Committee.
- iii). The Committee shall be made up of at least 2 members. The Committee shall comprise independent non-executive directors.
- iv). Before appointment as Chair of the Committee, the appointee should have served on a remuneration committee for at least 12 months.
- v). Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited or required to attend meetings at the discretion of the Committee or the Committee Chair.
- vi). In the absence of the Committee Chair the remaining members present shall elect one of themselves to chair the meeting.

3. VOTING RIGHTS

The Members of the Committee will be subject to the voting rights as detailed in the Company’s Articles of Association. Save as otherwise provided by the Articles, a Director shall not vote at a meeting of the Committee of Directors on any resolution concerning a matter in which he/she has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.

4. SECRETARY

The Company Secretary or the Committee’s nominee shall act as the secretary to the Committee.

5. QUORUM

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.

6. FREQUENCY AND NOTICE OF MEETINGS

- i). The Committee shall meet at least annually and at such other times as the Chair of the Committee shall require.
- ii). Notice of each meeting, together with the agenda and supporting papers, will be delivered to the Committee members in a timely manner before each meeting to enable full and proper consideration to be given to the issues.

7. MINUTES OF MEETINGS

- i). The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- ii). Minutes of Committee meetings shall be made available to all members of the Board, via Diligent, once approved by the Committee.

8. ROLES AND RESPONSIBILITIES

- i). The Committee is responsible for the oversight of Group-wide remuneration policy and variable pay policy and has delegated responsibility for determining the policy for executive director remuneration and setting remuneration for the Chair of the Board, Directors and the Executive Management Team across the Group. No director or manager shall be involved in any decisions as to their own remuneration.
- ii). Non-Executive Director remuneration will be determined by the Articles of Association or, alternatively, by the Board.
- iii). Develop a formal and transparent remuneration policy on executive remuneration that supports strategy and promotes long-term sustainable success. Such policy will consider the provisions and principles within the UK Corporate Governance Code 2018;
- iv). 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;
- v). Review the on-going appropriateness and relevance of the remuneration policy;
- vi). 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;
- vii). Ensure that remuneration schemes promote long-term shareholdings by executive directors that support alignment with long-term shareholder interests.
- viii). 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;
- ix). Determine whether the performance criteria for the vesting of any share awards have been met;
 - x). Develop a formal policy for post-employment shareholding requirements for Executive Directors encompassing both unvested and vested shares.
 - xi). Determine the policy for, and scope of, pension arrangements for each executive director, the company secretary and other senior executives of the Group;
 - xii). 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;
 - xiii). Within the terms of the agreed policy and in consultation with the Chair 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, including bonuses and other incentive payments;
 - xiv). In determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Corporate Governance Requirements for Insurance Undertakings 2015, UK Corporate Governance Code 2018 and the Listing Rules of Euronext;
 - xv). Collaborate, where appropriate, with other committees of the Board whose activities may have an impact on the design and proper functioning of remuneration policies and procedures, such as the Board Risk and Audit Committees;
 - xvi). Oversee any major changes in employee benefits structures throughout the company or group;
 - xvii). Ensure that the disclosure of directors' remuneration, including pensions, is clear, transparent, and in compliance with the Listing Rules of Euronext; and
 - xviii). Be 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.
 - xix). Determine the remuneration of the Chief Executive Officer based on performance assessment.
 - xx). Approve Remuneration of the Head of Internal Audit following recommendation from the Chair of the Audit Committee.
 - xxi). The Committee shall, through the Chair of the Board and the Chair of the Remuneration Committee, as appropriate ensure that the Company maintains contact as required with its principal shareholders regarding remuneration.
 - xxii). The Committee shall ensure that engagement with workforce takes place to explain how executive remuneration aligns with wider company pay policy.

9. REPORTING RESPONSIBILITIES

- i). Regularly update the Board of the Company on the Committee's activities ensuring that it is promptly made aware of any matters that may significantly impact the Group.
- ii). Annually review and update the Committee's Terms of Reference and receive approval from the Board for any changes.

- iii). Evaluate the Committee's own performance annually.
- iv). An annual written report is also provided by the Committee to the Board outlining the Committee's activities and major recommendations.
- v). The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- vi). 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. The annual statements will describe how the Committee has addressed the factors outlined in Provision 40 and 41 of the UK Corporate Governance Code 2018.
- vii). Where a remuneration consultant is appointed the consultant should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors.

10. ANNUAL GENERAL MEETING

- i). The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

11. AUTHORITY

- i). 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.
- ii). 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.