



Remuneration Committee

Terms of Reference

Version 2.0

AMIGO HOLDINGS PLC
REMUNERATION COMMITTEE
TERMS OF REFERENCE

The following are the terms of reference of the Remuneration Committee (the “**Remuneration Committee**”) of Amigo Holdings PLC (the “**Company**”) and its subsidiaries (together, the “**Group**”).

1. Membership

- 1.1 The Remuneration Committee shall be appointed by the board of directors of the Company (the “**Board**”) on the recommendation of the Nomination Committee and in consultation with the Chairman of the Remuneration Committee. The Remuneration Committee shall be made up of at least three members and shall comprise at least three independent non-executive directors.
- 1.2 Unless the Board agrees otherwise, the members of the Remuneration Committee shall be independent non-executive directors. Subject to paragraph 1.3 below, the chairman of the Board may be a member of, but not chair, the Remuneration Committee if he or she was considered independent when appointed chairman.
- 1.3 From the point of the Company’s listing up until the point at which a third independent non-executive director is appointed, Stephan Wilcke shall be chairman of the Remuneration Committee. Following the appointment of a third independent director, the Board shall appoint the chairman of the Remuneration Committee (the “**Chairman**”), who shall also be an independent non-executive director. In the absence of the Chairman, the remaining members present shall elect one member who is an independent non-executive director to chair the meeting. The Chairman (or chairman of the relevant meeting) shall have a casting vote on all matters in the event of an equality of votes (except where he or she has a personal interest).
- 1.4 In deciding chairmanship and membership of the Remuneration Committee, the value of ensuring that Remuneration Committee membership is refreshed and that undue reliance is not placed on particular individuals should be taken into account.
- 1.5 Appointments to the Remuneration Committee shall be for a period of up to one year, extendable for additional periods of up to one year, provided that the majority of the Remuneration Committee’s members remain independent and that appointments will only be effective for so long as the director still meets the criteria for membership of the Remuneration Committee. Membership of the Remuneration Committee shall be reviewed by the Board at least annually.
- 1.6 If not already a member of the Remuneration Committee, the chairmen of the Audit Committee and the Risk Committee shall be required to attend at least one meeting of the Remuneration Committee per year.
- 1.7 The company secretary (or his or her nominee) shall act as the secretary of the Remuneration Committee (the “**Secretary**”) and will ensure that the Remuneration Committee receives information and papers in a timely manner to enable full and proper consideration of the issues.

2. Terms of Reference to be made available

- 2.1 The Remuneration Committee shall make available these terms of reference, explaining its role and the authority delegated to it by the Board.

- 2.2 These terms of reference have been produced to identify and formalise the roles, tasks and responsibilities of the Remuneration Committee and the authority delegated to it by the Board in compliance with the UK Corporate Governance Code (the “**Code**”).
- 2.3 The requirement to make this information available would be met by making such information available on request and including the terms of reference and such explanation on the Company’s website.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members of the Remuneration Committee.
- 3.2 A duly convened and quorate meeting of the Remuneration Committee shall be competent to exercise any or all of the authorities, powers and discretions vested in or exercisable by the Remuneration Committee.
- 3.3 No member of the Remuneration Committee shall attend or form part of the quorum in relation to any matter in which he or she has a personal interest unless such personal interest has been fully disclosed to the Remuneration Committee and the remaining members present at the meeting unanimously agree that such member may attend or form part of the quorate in relation to such matter.
- 3.4 In addition, a member of the Remuneration Committee shall not be counted in the quorum where decisions are to be made or discussions are to take place concerning such member’s remuneration or terms and conditions of employment. To the extent that an executive director shall sit upon the Remuneration Committee or may be invited to join meetings of the Remuneration Committee, as appropriate, he shall absent himself and take no part in the discussions concerning his own remuneration or other benefits or matters within the province of the Remuneration Committee.

4. Frequency of meetings

- 4.1 The Remuneration Committee shall meet at least twice a year and at such other times as required. Any member of the Remuneration Committee may request a meeting if he or she considers that one is necessary or expedient. Meetings may be convened by telephone when necessary or as video or audio conferences.

5. Notice of meetings

- 5.1 Meetings of the Remuneration Committee shall be called by the Secretary at the request of the Chairman or any member of the Remuneration Committee.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, date and time, together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Remuneration Committee, and to other attendees as appropriate, no later than five working days before the date of the meeting.

6. Proceedings of the Remuneration Committee

- 6.1 Only Remuneration Committee members have the right to attend Remuneration Committee meetings. Shareholder representative non-executive directors may also attend Remuneration Committee meetings as observers with consent of the independent non-executive directors

that are members of the Remuneration Committee. However, the Remuneration Committee will usually invite the Chief Executive to attend the meetings. The Remuneration Committee may also invite any directors or other executives of the Company, including the Head of Human Resources and any external advisers, to attend all or part of any meeting as and when appropriate.

7. Minutes of meetings

- 7.1 The Secretary shall minute the proceedings and decisions of all Remuneration Committee meetings and record the names of those present and in attendance.
- 7.2 The members of the Remuneration Committee shall, at the beginning of each meeting, declare any conflicts of interest arising and the Secretary shall minute them accordingly.
- 7.3 Draft minutes of Remuneration Committee meetings shall be circulated to all members of the Remuneration Committee as soon as practicable after each meeting. Once approved, minutes shall be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Chairman.

8. Annual general meeting

The Chairman shall attend the annual general meeting of the Company prepared to respond to any shareholder questions on the Remuneration Committee's activities and responsibilities.

9. Authority

The Remuneration Committee shall have access to sufficient resources to carry out its duties, including access to other Group functions for assistance as required. Accordingly, the Remuneration Committee is authorised by the Board to:

- (a) undertake any activity within its terms of reference;
- (b) seek any information it requires from any employee or director of the Company, or any consultant or other provider of services to the Company in order to perform its duties. All employees, directors, consultants and other service providers of services are directed to co-operate with requests for information made by the Remuneration Committee including requests to attend meetings of the Remuneration Committee;
- (c) at the Company's expense, select, appoint, retain and terminate any remuneration consultants to be used to assist the evaluation of any Senior Executive's (as defined below) remuneration, including having sole authority to approve and review from time to time the remuneration consultant's fees, terms of reference and other retention terms, including the consultant's policy and procedures on dealing with potential conflicts of interest. Where remuneration consultants are appointed they shall be identified in the annual report and a statement shall be made as to whether they have any other connection with the Company;
- (d) obtain, at the Company's expense, independent legal or other professional advice on any matters within its terms of reference, including to commission any reports or surveys which it deems necessary. Although the Remuneration Committee may seek advice and assistance from any of the Company's executives, it will ensure that this role is clearly separated from their role within the business;
- (e) work and liaise as necessary with all other Board committees; and

- (f) carry put such other roles, tasks and responsibilities assigned to remuneration committees by the Code, as it may be amended or updated from time to time.

10. Responsibilities

Overview

The Remuneration Committee has been delegated responsibility from the Board for the determination of the terms and conditions of employment (in consultation with the HR function, where appropriate), remuneration and benefits (including pension rights and any compensation payments) of each of the chairman of the Board and executive directors, members of the executive and the company secretary (together, the “**Senior Executives**”). The Remuneration Committee also has delegated responsibility from the Board for the determination of all aspects of share-based incentive arrangements in consultation with the shareholders.

The remuneration of non-executive directors (including members of the Committee) shall be a matter for the chairman and the executive members of the Board (or where required by the Company’s articles of association, the shareholders).

Policy

- 10.1 The Remuneration Committee shall determine and agree with the Board policy for the remuneration of the Senior Executives, including pension rights, termination payments and any compensation payments. The Remuneration Committee shall recommend and monitor the level and structure of remuneration for the Senior Executives.
- 10.2 The objectives of such policy shall be to promote the long-term success of the Company, through attracting, retaining and motivating the Company's executive management and ensuring that they are provided with remuneration that reflects and supports the long-term business strategy of the Group as well as appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company without paying more than is necessary, and having regard to the views of shareholders and other stakeholders. The Remuneration Committee shall take into account all factors which it deems necessary in determining such policy. .
- 10.3 The Remuneration Committee shall liaise with the Nomination Committee to ensure that the remuneration of newly appointed executives is within the Company’s overall policy. The Remuneration Committee shall periodically review the overall appropriateness and relevance of the Company’s remuneration policy.
- 10.4 The Remuneration Committee shall determine the policy for and scope of pension arrangements for each executive director and other senior executives and consider the pension consequences and allocated costs to the Company of basic salary increases and other changes in remuneration especially for directors close to retirement;
- 10.5 The Remuneration Committee shall determine and agree with the Board the Company’s policy in relation to compensation (including pension contributions) agreed to be paid to any executive director or other senior managers in connection with early termination of employment and, where appropriate, office as director. The objectives of such policy shall be to 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.
- 10.6 The Remuneration Committee shall agree the policy for approving expenses from the Board;

Other

10.7 The Remuneration Committee shall:

- (a) within the terms of the agreed policy set on an annual basis the total individual remuneration package of each Senior Executive, including salary and, where appropriate, incentive payments (including annual bonus and long-term incentives), pension, share options or other share awards, and other benefits in kind;
- (b) consider and (if appropriate) approve any contract of employment within the Group which has an initial term of two years or more taking into account any period of notice required to terminate such contract;
- (c) consider and (if appropriate) approve any contract of employment which requires more than 12 months' notice to determine;
- (d) consider and (if appropriate) approve any new contract of employment within the Group where the total remuneration and benefits payable to an employee in respect of salary, including guaranteed bonus would exceed £100,000 (or its equivalent) per annum or the gross amount of compensation (ignoring mitigation or any other factors reducing the amount payable) on termination of any such contract would exceed £100,000 (or its equivalent);
- (e) consider and (if appropriate) approve the design of, and determine targets for, any performance-related pay schemes operated by the Company for Senior Executives, including the application of relevant performance criteria and approve the total annual payments made under such schemes. Provisions on the design of performance-related remuneration covering share option schemes, bonus schemes and long-term incentive schemes can be found at schedule A to the Code and should be consulted when the Committee comes to design or review such schemes. In addition, the Remuneration Committee should:
 - (i) ensure that the performance-related elements of the executive directors' remuneration are transparent, stretching, rigorously applied and designed to promote the long-term success of the Company; and
 - (ii) include provision that would enable the Company to recover sums paid or withhold the payment of any sum, specifying the circumstances in which it would be appropriate to do so;
- (f) review the design and implementation of any share-based 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 management and the performance targets to be used. In addition, the Remuneration Committee should:
 - (i) ask the Board, when appropriate, seek shareholder approval for all new long term incentive schemes (as defined in the UK Listing Authority's Listing Rules (the "**Listing Rules**") as well as any significant changes to existing schemes, save in the circumstances permitted by the Listing Rules;
 - (ii) consider whether the directors should be eligible for annual bonuses and, if so, to consider an upper limit for such bonuses;
 - (iii) consider whether directors should be eligible for benefits under long-term incentive schemes and weigh traditional share option schemes against other kinds of long-term incentive schemes;
- (g) be aware of, and oversee any major changes in, employee benefit structures throughout the Company or Group;

- (h) review and note annually the outcome of any employee consultation on executive pay and agree how employees' views will be taken into account in determining Board Director remuneration;
- (i) oversee workforce policies and practices, including to monitor, and make recommendations to the Board regarding, the Group's methods for gathering the views of the workforce, giving due consideration to the need to promote the long-term success of the Group and to ensure that its workforce policies and practices are aligned with its strategy and values;
- (j) review and note following the annual general meeting (and at any other relevant time) the views given by shareholders and the results of the shareholder votes on executive pay. Agree how the views of shareholders will be taken into account in determining executive remuneration; and
- (k) obtain reliable, up-to-date information about remuneration in other companies and market practice generally with a view to position the Company relative to other companies whilst being mindful the risk of an upward ratchet of remuneration levels with no corresponding improvement in corporate and individual performance.

10.8 In determining remuneration packages and arrangements, the Remuneration Committee shall:

- (a) give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed and non listed companies and formation and operation of share schemes including but not limited to:
 - (i) the general duties of directors set out in the Companies Act 2006;
 - (ii) the provisions and recommendations of the Code;
 - (iii) the UK Listing Authority's Listing Rules and Disclosure Guidance and Transparency Rules and associated guidance;
 - (iv) the Financial Conduct Authority's Remuneration Code, albeit recognising that the Company is not bound by this; and
 - (v) any other regulatory requirements including any applicable rules and guidance issued by regulatory bodies; and
- (b) take into account remuneration trends across the Company, including the differential between the total remuneration at the highest and lowest groups within the Company.

10.9 In determining remuneration packages and arrangements, including the performance criteria for performance related plans, the Remuneration Committee shall have particular regard to any concerns raised by the Board on the implications of the remuneration policy for risk and risk management and take account of the Audit Committee and Risk Committee's annual review of risk appetite for the Company. The Remuneration Committee shall also have particular regard for the culture of the Company and the Company's obligation to treat customers fairly.

11. Reporting responsibilities

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

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

- 11.3 The Remuneration Committee must compile a report to shareholders on its activities and the Company's remuneration policy and procedures and practices, particularly with regard to the work of the Committee, to be included in the Company's annual report and put to shareholders for approval at the annual general meeting. The report should also:
- (a) identify the membership of the Remuneration Committee and the frequency of, and attendance by members at, Remuneration Committee meetings over the course of the year; and
 - (b) describe how annual performance evaluation of the board, its committees and individual directors has been conducted.

12. Other matters

- 12.1 The Remuneration Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 12.2 The Remuneration Committee shall arrange for at least annual periodic reviews of its performance and, at least annually, review its 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.

These terms of reference were reviewed and approved by the Board on 28 June 2018.