

INTERNATIONAL PERSONAL FINANCE plc
(Company No. 60189733)
Terms of Reference of the Remuneration Committee

Authority

The Board of Directors (the “Board”) has established a committee known as the Remuneration Committee (the “Committee”) to assist it in fulfilling its oversight and governance responsibilities in connection with remuneration activity undertaken by International Personal Finance plc (the “Company”).

The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference and is authorised by the Board to obtain, at the Company’s expense, outside legal or other professional advice on any matters within its Terms of Reference. In addition, it is authorised to obtain such information and to liaise with any functions or other Committees within the Company as may be required to carry out the duties set out in these Terms of Reference.

Purpose

The Committee’s purpose is to:

- (a) establish formal and transparent remuneration policy and practices on executive remuneration;
- (b) design and determine remuneration and benefits for the Chair, Executive Directors and other senior management as required by the 2018 UK Corporate Governance Code (the “Code”);
- (c) review workforce remuneration and related policies to ensure alignment of incentives and rewards with culture;
- (d) oversee the design and terms of executive and all employee share-based incentive plans; and
- (e) review the performance evaluations undertaken of the Executive.

Membership

1. The Committee shall comprise at least three members, all of whom shall be independent non-executive directors. The Chair of the Board may serve as a member of the Committee provided they were considered independent on appointment as Chair.
2. Appointments to the Committee are made by the Board on the recommendation of the Nominations & Governance Committee and in consultation with the Chair of the Committee and shall be for an initial period of three years. This period of office may be extended for such duration as may be determined by the Board, as long as the member continues to be an Independent Non-Executive Director.
3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer (the “CEO”), the Chief Human Resources Officer, Group Head of Reward and external advisers may be invited to attend for all or part of any meeting, as the Chair determines. No director or executive shall be involved in any decision-making as to their own remuneration.
4. The Board shall appoint the Committee Chair who shall be an independent non-executive director who should have served on a remuneration committee for at least twelve months.

In the absence of the Committee Chair, 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 Chair of the Board shall not be the Chair of the Committee.

Secretary

1. 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.
2. The Secretary shall produce minutes of each meeting which will be circulated to all members of the Committee after a meeting.

Quorum

1. The quorum necessary for the transaction of business by the Committee shall be two.

Meetings

1. The Committee shall meet at least three times a year or otherwise as required.
2. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any member of the Committee.
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 and any other person required to attend no later than five days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.
4. Formal decisions are passed by a simple majority vote, with the Chair of the Committee holding a casting vote in the event of a tie.

Duties

The Committee, which shall carry out its duties for the Company and its subsidiaries from time to time, shall have the following responsibilities:

Setting the Company's Remuneration Policy

1. To determine and recommend **to the Board for approval** the Company's Remuneration Policy.
2. In determining the Remuneration Policy, the Committee shall consider:
 - a. the principles and provisions of the Code including the requirement that remuneration policies should be designed to support the Company's purpose, have a clear link to the successful delivery of the Company's long term strategy and promote the long term success of the Company;
 - b. the Listing Rules and associated guidance (as may be amended from time to time) including the requirement for explanation in the event of any permitted non-compliance;

- c. the need for clear linkages between both the Company's and individuals' performances and remuneration and the interests of shareholders, the Company's purpose and the Company's sustainability ambitions;
- d. the policy and scope of pension arrangements for the executive and in relation to the executive directors, considering those arrangements as compared to workforce arrangements and aligning executive director contributions to those available to the workforce;
- e. the need for remuneration policies operated by the Company to reflect the Company's risk policies and systems and in particular that they do not encourage excessive risk taking; and
- f. the need for it to exercise independent judgment and discretion.

Determining Compensation

1. Within the framework set out in the Remuneration Policy to determine annually the remuneration for the executive directors and other senior management including the Company Secretary (including individual salary levels, bonuses, long term (share based) incentives and other benefits), In so doing, the Committee shall review wider workforce remuneration and related policies including pension arrangements for each executive director and members of the executive and their alignment with those available for the wider workforce and reviewing actual performance.
2. To determine each year whether awards will be made under existing share incentive plans, and if so, the overall amount of such awards, the individual awards for executive directors and executives.
3. To assess annually, the appropriateness of any performance conditions and for any performance related share award plans, determine each year the performance targets to be used
4. To determine annually the compensation for the Chair of the Board.

Oversight of Remuneration Schemes

1. Within the terms of the Remuneration Policy, recommend the design of all proposed long term incentive plans, share based incentive plans for executives or all employees or other remuneration schemes (or any other plans requiring shareholder approval), and the arrangements for individual invitations to executives or employees made under such schemes, for **approval by the Board** and shareholders (where applicable).

Overseeing Workforce Remuneration

1. Periodically review remuneration of the workforce and related policies to assess alignment to the Company's purpose and strategy and report on its findings to the Board and oversee any major changes in employee remuneration policy or employee benefit structures throughout the Company or Group.

Expenses

1. At least annually to agree a policy for the authorisation of expenses claimed by the executive directors and the Chair of the Company and shall once a year review a

schedule of expenses claimed by the executive directors and the Chair in the preceding financial year of the Company.

Other Matters

1. To ensure there are arrangements for liaison with the Nominations and Governance Committee to ensure that the remuneration offered to newly appointed directors are within the Company's Remuneration Policy framework.
2. To appoint remuneration consultants and to commission, obtain or purchase any professional advice and/or training, which it reasonably deems necessary to discharge its responsibilities. The Committee shall exercise independent judgement when evaluating advice received from such consultants. If the Committee has appointed remuneration consultants, the consultant should be identified in the annual report alongside a statement about any other connection it has with the Company or individual directors.
3. The Committee shall once a year review the shareholdings of the Chair of the Company, the executive directors and other senior management in the context of the shareholding guidelines.

Reporting

1. The Chair of the Committee shall report to the Board after each meeting on the nature and content of its discussions, recommendations, and actions to be taken.
2. The Committee shall provide a description of its work in the annual report in line with the requirements of the Code.
3. The Committee shall ensure that provisions regarding disclosures of information as set out in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the Code are fulfilled and that a report on the directors' remuneration policy and practices is included in the Company's annual report and put to shareholders for approval at the AGM as necessary.
4. The Chair of the Committee shall attend the annual general meeting of the Company and is available to answer any questions referred to him or her by the chair of the meeting.
5. To ensure that that effective communications are maintained with investors and representative bodies on the rationale for the prevailing remuneration policy and practices and any anticipated changes.

Reviewing Committee Performance

1. To arrange annual assessments of Committee effectiveness and report the output of this activity to the Board.
2. To review periodically, and at least annually, these Terms of Reference to ensure the Committee is operating effectively and recommend any changes it considers necessary to the **Board for approval**.

Approved by the Board: xxxxx