

VICTORIA PLC REMUNERATION COMMITTEE TERMS OF REFERENCE

ADOPTED BY THE BOARD ON 27 SEPTEMBER 2018

1 CONSTITUTION

- 1.1 The committee has been established by resolution of the board of directors of the Company (the “**Board**”) and in accordance with the Company’s Articles of Association as the Remuneration Committee (the “**Committee**”). In these terms of reference, the “**Group**” means the Company and its subsidiaries from time to time.

2 MEMBERSHIP

- 2.1 The members of the Committee shall be appointed by the Board from amongst the directors of the Company, on recommendation of the Nomination Committee in consultation with the Chair of the Committee and shall consist of no fewer than two members. The members of the Committee shall consist of non-executive directors of the Company.
- 2.2 The Chair of the Committee shall be an independent non-executive director who shall be appointed by the Board.
- 2.3 The Company Secretary will be the Secretary of the Committee and in absence of the Company Secretary the Committee may at each meeting appoint one of their number to be the Secretary of the Committee in that meeting.
- 2.4 Each member of the Committee shall disclose to the Committee:
- (a) any personal, financial or other interest in any matter to be decided or discussed by the Committee; and/or
 - (b) any potential conflict of interest arising from a cross-directorship or otherwise; and
- 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 and (if so required by the Board) shall resign from the Committee or absent themselves from all or part of the meeting of the Committee in question.
- 2.5 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence. Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.
- 2.6 Membership of the Committee shall be noted in the annual directors’ report of the Company.

3 ATTENDANCE AT MEETINGS

- 3.1 The Committee shall have the discretion to decide who, other than its members, shall attend its meetings. However, no person shall be involved in any decision or present at any discussions of the Committee as to his own remuneration and no one other than the members (or alternate, as appropriate) of the Committee are entitled to vote at a meeting of the Committee.

4 PROCEEDINGS AT MEETINGS

- 4.1 A quorum for a meeting of the Committee shall be two members. 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.
- 4.2 Meetings may be held by telephone.

4.3 Subject as provided in paragraphs 2.4 and 3.1, each member of the Committee shall have one vote. In the event of an equality of votes, the Chair of the Committee shall have a second or casting vote (again subject as provided in paragraphs and 2.4 and 3.1 above). In the absence of the Chair or any appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

5 FREQUENCY OF MEETINGS

5.1 Meetings shall be held not less than twice a year and at such other times as the Chair of the Committee shall require. The Chair of the Board may request a meeting if they reasonably consider that one is necessary.

5.2 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the provisions of the Company's Articles of Association regulating the meetings and proceedings of directors including by being held by telephone.

6 NOTICE OF MEETINGS

6.1 Meetings of the Committee shall be summoned by the Company Secretary at the request of any of its members.

6.2 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 by the Company Secretary to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days (which notice may be waived by any director) before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

7 MINUTES OF A MEETINGS

7.1 The Company Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

7.2 The Secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The secretary of the Committee shall circulate minutes of the Committee meetings to all members of the Committee and to all members of the Board unless, in the opinion of the chairman of the Committee, it would be inappropriate to do so.

7.3 In the absence of the Company Secretary, the individual appointed by the Committee to be the Secretary of the Committee in that meeting, shall perform the roles of the Company Secretary described in this paragraph 7.

8 ANNUAL GENERAL MEETING

The Chair of the Committee shall attend the annual general meeting of the Company and be available to respond to any shareholder questions on the Committee's activities.

9 AUTHORITY

9.1 The Committee is authorised by the Board to investigate and undertake any matter within its terms of reference. It is authorised to seek any information it properly requires from any director, employee or professional adviser and all directors, employees and professional advisers are directed to co-operate with any requests made by the Committee.

9.2 The Committee is authorised by the Board to obtain outside legal, accounting or other professional advice and the advice of independent remuneration consultants and to secure the attendance of outsiders with relevant experience and expertise if it considers this

necessary. It is envisaged that in obtaining outside advice the Committee will act in conjunction with the Chair of the Board. The cost of obtaining such advice or services shall be borne by the Company within such limits as may be authorised by the Board from time to time.

10 PURPOSE

The purpose of the Committee is to:

- (a) ensure that the executive directors and other senior management and key employees of the Company (together, “**Executives**”) are fairly rewarded for their individual contribution to the overall performance of the Company; and
- (b) demonstrate to the shareholders of the Company that the remuneration of the Executives are set by a committee of the Board whose members have no personal interest in the outcome of the decisions of the Committee and who will have due regard to the interests of shareholders of the Company.

11 DUTIES

11.1 The Committee shall:

- (a) have responsibility for setting the remuneration policy for all executive directors and the company’s chairman, including pension rights and any compensation payments. The board itself or, where required by the Articles of Association, the shareholders should determine the remuneration of the 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. The Committee should monitor the level and structure of remuneration for senior management;
- (b) in determining such policy take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the QCA Corporate Governance Code and the FCA’s Remuneration Code and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to be rewarded for their individual contributions to the success of the Company without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company’s long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long term success of the Group;
- (c) when setting remuneration policy have regard to pay and employment conditions across the Group, especially when determining annual salary increases,
- (d) within the terms of the agreed policy and in consultation with the Company chairman and/or chief executive officer, as appropriate, determine the total individual remuneration package of each executive director, the Company chairman and other designated senior executives including bonuses, incentive payments, share options or other share awards and pension arrangements with consideration to the position of the Company to other companies and to be aware what comparable companies pay, taking account of relative performance and such comparisons with caution;

- (e) review the design of, and determine targets for, basic salary and fees, any performance related pay scheme, discretionary payments including compensation payments, pension contributions, benefits in kind and 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 management in any discretionary employee share or other incentive schemes and bonus arrangements operated by the Company and performance targets to be used;
- (f) to consider whether the Executives should be eligible for annual bonuses and, if so, to consider an upper limit for such bonuses;
- (g) to consider where to position the Company relative to other companies and to be aware what comparable companies are paying, taking account of relative performance and using such comparisons with caution;
- (h) to be sensitive to the wider scene, including pay and employment conditions elsewhere in the Company's group, especially when determining annual salary increases;
- (i) to approve the terms of any service agreement to be entered into with any Executive, bearing in mind that the performance-related elements of remuneration should form a significant proportion of the total remuneration package of Executives and should be designed to align their interests with those of the shareholders of the Company;
- (j) review the ongoing appropriateness and relevance of the Company's remuneration policy;
- (k) to approve any amendments to be made to the rules of the share options schemes or the adoption of a new replacement scheme of the Company or its subsidiaries (except where such amendments require shareholder approval);
- (l) review and determine the design of, and targets for any performance-related payments for executive directors and management and individual incentives for executive directors and management including, without limitation:
 - (i) the setting and monitoring of any performance conditions subject to which any options may be granted under any executive share option schemes adopted by the Company;
 - (ii) the setting and monitoring of any bonus or other incentive scheme performance conditions; and
 - (iii) approving the total annual payments under these schemes, and the Committee will ask the Board, where it considers appropriate, to seek shareholder approval for any new long term incentive arrangements or significant changes to existing arrangements;
- (m) review the policy for and scope of any pension arrangements for executive directors and management;
- (n) review the policy for and scope of any termination payments and the severance terms for executive directors and management ensuring that contractual terms on termination, and including, without limitation, 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;

- (o) the provision of, or any major changes to, benefits under the terms of the service agreements of executive directors and management where these are stated as being at the discretion, or otherwise requiring determination, of the Board;
- (p) to consider and determine what compensation commitments (including pension contributions) the Executives' service agreements, if any, would entail in the event of early termination. Particular consideration should be given to the advantages of providing explicitly in the initial contract for such compensation commitments except in the case of removal for misconduct;
- (q) in early termination cases where the initial contract does not explicitly provide for compensation commitments, to tailor its approach (within legal constraints) to the circumstances. The Committee should ensure that poor performance is not rewarded, while dealing fairly with cases where departure is not due to poor performance and to take a robust line on reducing compensation to reflect departing Executives' obligations to mitigate loss;
- (r) in determining such packages and arrangements, give due regard to any relevant legal requirements, including the provisions and recommendations in the Quoted Companies Alliance Corporate Governance Code and associated guidance and any published guidelines regarding the remuneration of directors of companies whose shares are traded on the main market for listed securities of the London Stock Exchange plc (as applicable);
- (s) oversee any major changes in the policy or employee benefits structures throughout the Company or the Group;
- (t) vet, authorise and agree the policy for authorising claims for expenses from the directors;
- (u) ensure that all provisions regarding disclosure of remuneration packages, structures, policy, including pensions are fulfilled;
- (v) be exclusively responsible for establishing the selection criteria, selection, appointment and terms of reference for any remuneration consultants who advise the Committee;
- (w) consider any other matters relating to the above referred to the Committee by the Board;
- (x) make available the Committee's terms of reference for inspection at the registered office of the Company.

12 EXCLUSIONS

The remuneration of the Company's non-executive directors (including the Chair of the Board if a non-executive) shall be a matter for the Chair of the Board (if executive) and the Company's executive directors. Further, no director or manager of the Company shall be involved in any decisions as to their own remuneration.

13 THE COMMITTEE

- 13.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.

- 13.2 The Committee shall 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 QCA Corporate Governance Code, the requirements of the AIM Rules for Companies of the London Stock Exchange plc, as well as guidelines published by the Association of British Insurers and the National Association of Pension Funds and any other applicable rules, in each case as applicable to, or appropriate for, the Company.
- 13.3 The 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.
- 13.4 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.

14 REPORTING PROCEDURES

- 14.1 The Chair of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 14.2
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 14.3 The Committee shall ensure that provisions regarding disclosure of information, including in relation to pensions, as required by the Companies Act 2006 and the QCA Corporate Governance Code are fulfilled and shall produce a report on the Company's remuneration policy and practices to be included in the Company's annual report.
- 14.4 Through the chairman of the Board, the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.
- 14.5 The Committee shall make available on the Company's website its terms of reference explaining clearly its role and the authority delegated to it.

15 GENERAL

- 15.1 The recommendations of the Committee minutes must be approved by the Board before they can be implemented.
- 15.2 Any of the terms set out in this document may be varied by a majority resolution of the Board.