

Remuneration committee – Terms of reference

Applicable to our regulated entities¹ and to Nucleus Financial Platforms Limited (as a) the UK parent entity of the FCA investment firm group² and b) the UK parent entity of other group subsidiaries below it) and its subsidiary undertakings (together the "Group")

The remuneration committee should carry out its duties for the Group as a whole (as appropriate) (8.1)

Adopted by resolution of the directors passed on 30 November 2022

¹ IPS Pensions Limited, James Hay Administration Company Limited, James Hay Wrap Managers Limited, Nucleus Financial Services Limited and The IPS Partnership plc

² Nucleus Financial Platforms Limited, James Hay Holdings Limited, IFG UK Group Holdings Limited, Nucleus Financial Limited, James Hay Wrap Managers Limited and Nucleus Financial Services Limited and James Hay Partnership Management Limited

Remuneration committee - Terms of Reference

1. Introduction

The principal purposes of these terms of reference are:

- 1.1 to ensure that our obligations are being met in terms of the setting and implementation of remuneration policy and practice.
- 1.2 to ensure that our directors and executive management are motivated and fairly rewarded for their individual contributions to our overall performance and are encouraged to operate within group risk appetite;
- 1.3 to demonstrate that both remuneration policy and practice is set by a committee which has no personal interest in the outcome of its decisions and who will give due regard to the delivery of sustained growth in shareholder value and to the financial and commercial health of the Group; and
- 1.4 to ensure that the remuneration committee (the "**Committee**") and board have sufficient oversight and awareness of our people and reward strategy, culture and associated policies.
- 1.5 to ensure that we can recruit and retain high calibre executive management through fair and attractive, but not excessive, remuneration packages.

2. Membership

- 2.1 The Committee shall be appointed by the Group's board of directors (the "**Board**"), on the recommendation of the nomination committee in consultation with the chair of the Committee and with the consent of Plutus Topco Limited as provided for under the Operating Agreement dated 21 September 2022 between Plutus Topco Limited and Nucleus Financial Platforms Limited). The Committee shall be made up of at least two non-executive directors, one of whom shall be independent, and at least 50% of Committee members shall not perform an executive function.
- 2.2 Appointments to the Committee shall continue until otherwise determined by the Board and Plutus Topco Limited, provided the director still meets the criteria for membership of the Committee.
- 2.3 The chair of the Committee shall be appointed by the Board. In the absence of the chair of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The chair of the board shall not be the chair of the Committee.
- 2.4 The company secretary or their nominee shall be 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 issues.

3. Attendance at meetings

- 3.1 Only members of the Committee have the right to attend Committee meetings.
- 3.2 Other individuals such as the chief executive officer, chief finance officer, the chief people officer and the chief risk officer and other external advisers may be invited to attend for all or part of any meeting as and when appropriate. For the avoidance of doubt, no person shall be present when their own salary is discussed.
- 3.3 The quorum necessary for the transaction of business at a Committee meeting 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. Frequency and format of meetings

- 4.1 Meetings are held as and when appropriate, but not less than two times per year. The chair and any Committee member may request a meeting if they consider that one is necessary or expedient.
- 4.2 A timetable of business is established once per year.

5. Notice of meetings

- 5.1 Committee meetings shall be called by the secretary at the request of the chair or by a Committee member, chief executive or chief people officer as appropriate.
- 5.2 Unless otherwise agreed, notice of each Committee meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each Committee member, any other person required to attend, all other non-executive directors and to each Institutional Director (with the meaning given to it in the Operating Agreement) and Plutus Topco Limited, no later than five working days before the date of the meeting or as soon as practicable. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes of meetings

- 6.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.3 Draft minutes of Committee meetings shall be circulated promptly to all Committee members, each Institutional Director and Plutus Topco Limited, and, once agreed, minutes may, on request by the Board, be tabled at subsequent Board meetings.

7. Authority

- 7.1 The Committee is authorised by the Board to investigate any matter within its terms of reference and to seek any information it requires from any Group employee in order to perform its duties. All employees are directed to co-operate (if required, on a confidential basis) with any request made by the Committee.
- 7.2 The Committee is authorised by the Board, within the budget set by the Board, to obtain outside consultancy, legal or other independent professional advice at the cost of the Group, including advice as to comparability of pay and benefits and measurement criteria performance, and, within any budgetary restraints, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.
- 7.3 The Committee's terms of reference may be amended as required, subject to the approval of the Board and the consent of Plutus Topco Limited.

8. Duties

- 8.1 The Committee is a sub-committee of the Board and acts to assist the Board in fulfilling its oversight responsibilities of the Group. The Committee should carry out the duties below for the Group as a whole, as appropriate.
- 8.2 The Committee shall, in furtherance of the successful implementation of our strategy and effective risk management for the long term and with due regard to regulatory requirements and the Operating Agreement:
 - 8.2.1 have responsibility for setting the remuneration policy for the chief executive officer, chair, the executive directors, and such other members of the executive management as it is designated to consider (including ensuring regulatory standards are met). For the purposes of these terms of reference, "remuneration" includes salary, bonus, performance-related

payments, discretionary payments, pension rights, share options, benefits in kind, compensation payments and all terms and conditions of employment and fees paid to a company which makes available the services of a director;

- 8.2.2 recommend and monitor the level and structure of remuneration for our senior leaders and roles it deems to be material risk takers;
- 8.2.3 in determining such remuneration policy and practice, the Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the MIFIDPRU Remuneration Code (as far as is applicable), quality of earnings achieved, the risk parameters set by the Board and any other relevant associated guidance (as appropriate);
- 8.2.4 when setting remuneration policy for directors, review and have regard to, the pay and employment conditions across the wider group and its operating environment, especially when determining annual salary increases;
- 8.2.5 review the ongoing appropriateness and relevance of our remuneration policy and practice and how it relates to individual and group performance within the scope of the budget set by the Board. The Committee shall also monitor market remuneration practices and consider any implications for our approach to remuneration policy;
- 8.2.6 approve the design of, and determine targets for, any performance related pay schemes operated by the Group and approve the total annual payments made under such schemes;
- 8.2.7 review the design of all long-term incentive plans. 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 leaders and the performance targets to be used;
- 8.2.8 determine the policy for, and scope of, pension arrangements for each executive director and other executive management;
- 8.2.9 ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 8.2.10 within the terms of the agreed remuneration policy and in consultation with the chair and/or chief executive officer as appropriate (taking care to recognise and manage conflicts of interest when receiving views from them), determine the total individual remuneration package of each executive director and other executive management including bonuses, incentive payments and share awards. In determining such packages and arrangements, give due regard to any relevant legal and regulatory requirements, the provisions and recommendations in the MIFIDPRU Remuneration Code (as far as is applicable) and the chief risk officer's annual assessment of whether the business has operated within risk appetite (with independent oversight of the assessment from the risk committee) to make any adjustments to variable remuneration payments;
- 8.2.11 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- 8.2.12 review and note annually the remuneration trends across the group;
- 8.2.13 oversee any major changes in the employee benefit structures throughout the group;
- 8.2.14 obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help fulfil its

obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the Group's' expense but within any budgeting restraints imposed by the Board;

8.2.15 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;

8.2.16 review executive directors' and other executive management employment terms as required to ensure that the contracts meet the needs of the business, encourage performance within Group risk appetite and comply with regulatory requirements and good practice.

8.3 With specific regard to the Operating Agreement, the Committee shall:

8.3.1 review and make recommendations to the Board on the remuneration of individuals who are not directors but whose annual base salary is equal to or in excess of £150,000.00.

9. Remuneration of chair & non-executive directors

Determination of the remuneration of the non-executive directors is a matter for the Committee chair and the chair of the Board, following recommendation from the Committee. No individual shall be involved in any decisions as to their own remuneration, nor take part in any discussions thereon. To support the Committee in its role, the executive directors shall facilitate any process by preparing a proposal to the Committee. Such proposal should consider the principles from the remuneration policy that would be relevant to non-executive remuneration.

10. Reporting procedures

10.1 The Committee chair shall report formally to the Board on proceedings of the Committee as soon as practicable on all matters within its duties and responsibilities.

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

10.3 The Committee shall conduct an annual review of our remuneration policy and practices and material risk taker population (with independent review from the risk committee) as considered appropriate under the MIFIDPRU Remuneration Code.

10.4 The Committee shall ensure that we maintain contact as required with our principal shareholder about remuneration.

11. Other matters

The Committee shall:

11.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;

11.2 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;

11.3 give due consideration to any other laws, regulations and published guidelines or recommendations regarding remuneration policy and practice to the extent considered relevant and applicable to the Group.

11.4 periodically review its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

11.5 review our people policies in line with the group policy framework.

11.6 review our people and reward strategies.

