

**3i Group plc (the “Company”)**

**REMUNERATION COMMITTEE (the “Committee”)  
TERMS OF REFERENCE**

**Adopted and approved by the Board by Minute 6277 passed on 14 May 2019**

**1. MEMBERS, COMMITTEE CHAIR AND QUORUM**

- 1.1 The Committee shall comprise at least three non-executive Directors appointed from time to time by resolution of the Board.
- 1.2 All Committee members shall be independent non-executive Directors. The Board may also appoint the Chair as a member (but not as Committee chair), providing they are regarded as independent on appointment.
- 1.3 The Board shall appoint the Committee chair (the “**Committee Chair**”). Such Committee Chair should have appropriate skills and experience and have served on a remuneration committee for at least 12 months prior to appointment. In the absence of the Committee Chair, and subject to paragraph 1.2 above, the remaining members present shall elect one of their number to chair the meeting.
- 1.4 The quorum of the Committee shall be any two Committee members.

**2. SECRETARY**

The Company Secretary, or their nominee, shall attend each meeting and act as secretary to the meeting, except where matters pertaining to the Company Secretary are being discussed.

**3. CONDUCT OF BUSINESS**

- 3.1 Meetings: Not less than three Committee meetings shall be held between one annual general meeting of the Company and the next. All Committee meetings shall be convened by the Company Secretary on the instructions of the Committee Chair or, in their absence, any Committee member.
- 3.2 Attendance at Meetings
  - (a) No one other than the Committee Chair and Committee members is entitled to be present at a Committee meeting. Others may attend meetings at the invitation of the Committee.
  - (b) Committee members may attend via teleconference or video conference.
- 3.3 Consultation and external advice: The Committee shall consult with the Chair (if not a Committee member) and/or the Chief Executive and may consult with any executive Director and the Human Resources Director, and shall also have power to employ the services of any external remuneration consultant or other professional adviser as it thinks fit.
- 3.4 Support: The Committee shall be entitled to require such support and advice as it may require from such Company executives as it shall think fit and shall be entitled to grant to such executives independent access to the Committee Chair at all times.
- 3.5 Voting: Each member of the Committee shall have one vote. In the event of an equality of votes the proposed resolution shall not be passed.
- 3.6 Written Resolution: A resolution in writing agreed by all Committee members for the time being entitled to receive notice of a Committee meeting shall be as valid

and effective as if it had been passed at a meeting of the Committee duly convened and held. Such written resolution is adopted when all Committee members have signed one or more copies of it or otherwise indicated their agreement to it in writing (which may include by electronic mail).

- 3.7 Minutes: The Company Secretary, or their nominee, will prepare the minutes of each meeting for approval by the Committee.

#### **4. AUTHORITY OF THE COMMITTEE**

##### **4.1 Remuneration Policy**

The Committee is authorised by the Board to:

- (a) consider and recommend to the Board the Remuneration Policy for approval by the shareholders at the annual general meeting of the Company;
- (b) monitor and periodically review the Remuneration Policy and its implementation and recommend any changes to it;
- (c) consider and approve the remuneration arrangements for the Designated Group and also to approve termination and compensation arrangements for the members of such group on termination of employment; and
- (d) ensure that all payments to Directors are made within the shareholder approved Remuneration Policy.

##### **4.2. For the Designated Group:**

For the Designated Group, the Committee shall:

- (a) determine and approve remuneration aspects of contracts of employment;
- (b) review and approve any payments and awards to be made upon recruitment;
- (c) review and approve any salary increases where relevant and consider the individual pension impacts of any increases;
- (d) review and approve the allocation or award under any performance related pay schemes operated by the Company;
- (e) review individual's performance against any targets set by any performance related pay scheme and agree any payments proposed;
- (f) promote long-term shareholdings by the executive Directors that support alignment with long-term shareholder interests and keep under review the requirement to develop a policy for post-employment shareholding requirements for such Directors, encompassing both unvested and vested shares; and
- (g) review and approve total remuneration outcomes.

##### **4.3 For employees generally:**

###### **4.3.1 For all employees of the Company the Committee shall:**

- (a) review and approve the over-arching objectives, principles and parameters of remuneration arrangements (including pensions and other benefits) across the Group, including assessing the impact of all such arrangements on the alignment with business strategy and the long-term sustainable success of the Company; and
- (b) review and approve the over-arching design and approach to measuring performance for any performance related remuneration schemes, including any all-employee share schemes.

- 4.3.2 In addition, the Committee shall consider large asset or fund performance related discretionary awards proposed to be made to employees where the amount of any such award to any individual exceeds such amount as the Committee has, from time to time, set.

- 4.4 FCA Remuneration Code employees:  
The Committee shall take such steps as it believes necessary to ensure the Company's compliance with the FCA Remuneration Code and any other relevant regulatory requirements in relation to executive pay and in particular to:
- (a) approve the criteria for identifying staff identified as Code Staff and approve the Company's approach to compliance with the FCA Remuneration Code including the application of proportionality; and
  - (b) approve the principal terms of the remuneration arrangements for Code Staff.
- 4.5 Annual Variable Award  
The Committee shall approve the total amount that should be allocated to annual variable reward for the preceding financial year.
- 4.6 Employee Share Plans  
The Committee shall exercise, or approve and authorise the exercise of, all or any powers, authorities and discretions of the Board in connection with any share plans operated by the Company for its employees including (but without limitation) the approval of any related transactions.
- 4.7 Long-Term Incentive Plans (including carry and co-investment arrangements)  
The Committee shall approve the principal commercial terms of any long-term incentive plans that are introduced by the Group and the variation of any such principal commercial terms of existing plans. For this purpose the principal commercial terms are the provisions establishing the carry (or payout) rate, the hurdle, time periods by reference to which such plans operate ("vintages") and leaver provisions;

## 5. **GENERAL**

The Committee shall:

- (a) have authority to exercise all or any powers authorities and discretions at any time (and whether before or after the date of adoption of these terms of reference) conferred upon the Committee by Board resolution;
- (b) have power to delegate as the Committee thinks fit, including (without limitation) power to delegate authority to finalise matters approved in principle by the Committee, to deal with matters arising between meetings and to deal with matters not warranting being dealt with by the Committee;
- (c) ensure that no person shall be involved in any decisions as to their own remuneration;
- (d) agree the process and parameters for the treatment of expenses for non-executive Directors;
- (e) have regard to the law, regulations and any published guidelines, and established best practice corporate governance standards or recommendations regarding the remuneration of Directors of listed companies and the operation of share schemes. This includes, but is not limited to, the UK Corporate Governance Code, the Listing Rules, the Disclosure Guidance and Transparency Rules, the FCA Remuneration Code and any other applicable rules as appropriate;
- (f) approve a letter and report on the Committee's work to be included in the Company's annual report and accounts;
- (g) at least once a year and in conjunction with the Board, participate in a review of its own performance and recommend any changes it considers necessary to the Board for approval; and
- (h) oversee any investigation of activities that are within its terms of reference.

**6. REPORTING TO THE BOARD**

- (a) The Committee shall recommend to the Board at its next Board meeting any matter that it considers requires the Board's immediate attention.
- (b) The Committee Chair shall be responsible for reporting to the Board on the Committee's activities and findings.

**7. ADDITIONAL DUTIES OF THE COMMITTEE CHAIR**

The Committee Chair is authorised and requested to attend each annual general meeting of the Company to deal with shareholders' questions.

**8. INTERPRETATION**

In these Terms of Reference:

**"Board"** means the board of directors of the Company;

**"Chair"** means the chair of the Board;

**"Chief Executive"** means the chief executive of the Company;

**"Code Staff"** means such staff as are identified as code staff (or equivalent designation from time to time) under the FCA Remuneration Code;

**"Deputy Chair"** means the deputy chair of the Company;

**"Designated Group"** means the Chair, each of the executive Directors, all other members of the Executive Committee and such other executives as the Board may from time to time resolve to include as senior management;

**"Directors"** means the directors of the Company and **"Director"** means any one of them;

**"Executive Committee"** means the executive committee of the Company from time to time, chaired by the Chief Executive;

**"FCA Remuneration Code"** means the remuneration code from time to time of the Financial Conduct Authority ("**FCA**");

**"Group"** means the Company and its consolidated subsidiaries;

**"Human Resources Director"** means the head of human resources of the Company;

**"Remuneration Policy"** means the remuneration policy of the Company;

**"an independent non-executive Director"** means a non-executive Director who is determined by the Board to be independent for the purposes of the UK Corporate Governance Code; and

reference to any executive of the Group described by his job title shall include reference to the executive from time to time holding the same position under any revised job title or from time to time performing (to the extent relevant to the work of the Committee) the duties previously performed by such executive.

These Terms of Reference replace the Terms of Reference dated 27 March 2019.

## 3i Group plc

### Delegated Authorities in favour of the Chief Executive approved by the Board by Minute 6277 passed on 14 May 2019

The Chief Executive has the delegated authorities set out below.

#### **1. REMUNERATION**

Save to the extent such matters have been reserved to the Board or delegated to the Remuneration Committee under paragraph 4 of the Terms of Reference approved by the Board by Minute 6277 passed on 14 May 2019, the Chief Executive is authorised to:

- (a) consider and determine all other aspects of the remuneration of all employees of 3i Group plc or any of its subsidiaries, provided that:
  - (i) the aggregate amount of all such remuneration does not, in any financial year, exceed the total financial limit established in the annual group remuneration budget approved by the Board; and
  - (ii) any discretionary awards or other variable payments (including any payment to be made or recommended to be made in connection with an employee benefit trust or similar arrangement) does not exceed €500k;
- (b) sub-delegate the above authorities (in whole or in part) to such subordinate executives as they may consider necessary or appropriate.

#### **2. APPOINTMENTS**

Save to the extent such matters have been reserved to the Board or delegated to the Remuneration Committee under paragraph 4 of the Terms of Reference approved by the Board by Minute 6277 passed on 14 May 2019, the Chief Executive is authorised to:

- (a) approve the appointment and employment of any individual by 3i Group plc or any of its subsidiaries other than in respect of members of the Executive Committee, the Head of Internal Audit, the Head of Group Compliance and the Company Secretary; and
- (b) sub-delegate the above authorities (in whole or in part) to such subordinate executives as they may consider necessary or appropriate.

#### **3. NOTIFICATION TO THE REMUNERATION COMMITTEE**

The Chief Executive is instructed to report to a Remuneration Committee meeting, as soon as practicable, all such remuneration arrangements, appointments and employments considered by the Chief Executive to be material, or to involve sensitivities of which the Remuneration Committee or the Board ought to be aware.