

**COMMITTEE TERMS OF REFERENCE – Common TOR to all the Committees on page 1  
Specific delegations for other committees from page 2 onwards**

	<b>Audit and Risk Committee</b>	<b>Remuneration and Nominations Committee</b>	<b>Treasury Committee</b>
<b>Chair</b>	The Committee chair will be a <b>non-executive director of BHG appointed by the Board on the recommendation of the RemNoms Committee</b> . In the chair’s absence, the remaining members present can elect a chair, who must be a non-executive director.		
<b>Secretary</b>	The Company Secretary or their nominee. Agenda and reports to be circulated to committee members (and other attendees if appropriate) at least 5 working days before the meeting. Minutes will record proceedings, resolutions, those present/in attendance and will be circulated to the Committee and all members of the BHG and subsidiary boards. Confidential Items, not for general circulation will be redacted or not circulated as appropriate.		
<b>Term of office</b>	A term of office for committee members will be 3 years, but can be extended in accordance with the Governance Framework.		
<b>Reporting</b>	Minutes of the committee meetings will be circulated to the Board. The Committee Chair will also be responsible for reporting to the Board on the work of the Committee. The ARC and RemNoms committees are required to produce a report to be included in the Group annual report about their activities.		
<b>Authority</b>	<p>To act in accordance with its terms of reference taking into account statutory and regulatory requirements and best practice;</p> <p>To ask for any information it requires from any Bromford colleague in order to perform its duties;</p> <p>To take external legal or other professional advice on any matter within its terms of reference;</p> <p>To 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;</p> <p>To annually review its own performance, composition and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board;</p> <p>In relation to all the matters (for BHG and all group members) for which the Committee has responsibility, the Committee has the power to</p> <ul style="list-style-type: none"> <li>approve all documentation which it considers necessary;</li> <li>authorise a signatory or signatories to sign or execute such documentation on behalf of BHG or its subsidiaries;</li> <li>authorise the use of company seals for BHG and its subsidiaries and signatories to attest such seals in relation to such documentation or otherwise to authorise execution of any document requiring execution as a deed; and</li> <li>authorise any person to do any act, matter or thing which the Committee consider in its absolute discretion is appropriate in relation to its powers.</li> </ul>		
<b>Sub-delegate</b>	The committee may sub-delegate any of the powers delegated to it to another committee or colleague.		

**REMUNERATION AND NOMINATIONS COMMITTEE**

**PURPOSE:** Deal with any matters related to the **appointment, removal or remuneration** of non-executive and executive directors.

<b>MEMBERSHIP</b>	<p>At least 3 non-executive directors of BHG Limited</p> <p>When dealing with ‘nominations matters’ – the Chief Executive and Chief Executive Designate will also be a member of the Committee.</p> <p><b>The BHG Vice Chair/SID will chair the committee.</b></p> <p>In the chair’s absence, If a member, the <b>BHG Chair must not chair the committee:</b></p> <ul style="list-style-type: none"> <li>- if the committee is dealing with remuneration matters; or</li> <li>- if the committee is dealing with the appointment of the successor to the BHG Chair.</li> </ul> <p>The Committee may appoint Advisors as required.</p>
<b>MEETINGS</b>	<p>As required. Meetings usually called by the Secretary at the request of the chair. Only members of the committee have the right to attend meetings. Others may be invited to attend for all or part of any meeting.</p>
<b>QUORUM</b>	<p><b>Two non-executive directors.</b></p>
<b>PLANS AND POLICIES</b>	<p><b>Approve:</b></p> <ul style="list-style-type: none"> <li>- Agreement for Service – non-executive directors</li> <li>- Board Recruitment Policy</li> <li>- Executive Remuneration Policy</li> <li>- Expenses Policy – Non Executive and Executive Directors and the Chief Executive and Chief Executive Designate</li> </ul> <p><b>Review and make recommendations to the Board on the Governance Effectiveness Review process</b></p>

<p><b>DUTIES:</b></p> <p><b>NOMINATION</b></p> <p><b>Leadership and succession planning</b></p>	<p><b>Keep under review:</b></p> <ul style="list-style-type: none"> <li>- the <b>leadership needs of the Group</b> both executive and non-executive, with a view to ensuring the continued ability of the Group to deliver its strategy and to ensure it continues to meet the expectations of its stakeholders, Regulators and customers;</li> <li>- the <b>structure, size and composition</b> (including skills, knowledge, experience, diversity and independence) of the Board, subsidiary boards and committees and <b>make recommendations to the Board</b> with regard to any changes; (this process will include reviewing the outcome of the board performance evaluation process);</li> <li>- <b>succession planning</b> for non-executive and executive directors and <b>make recommendations to the Board</b> – in particular the key roles of Group Chair and Chief Executive - taking into account the challenges and opportunities facing the Group, and the skills and expertise needed on the Board and committees in the future;</li> </ul>
<p><b>NOMINATION</b></p> <p><b>Board membership</b></p>	<p><b>Board appointments:</b></p> <ul style="list-style-type: none"> <li>• <b>Lead on the appointment of Group Chair</b> - prepare a job specification, including time commitment expected. Disclose a proposed chair's other significant commitments to the Board before appointment and ensure that any changes to the chair's commitments are reported to the Board as they arise.</li> <li>• <b>Select and nominate for Board approval</b> candidates for the position of <b>Chair and Vice Chair</b>.</li> <li>• <b>Select and nominate for Board approval</b> candidates to fill <b>all board and committee vacancies</b>.</li> <li>• <b>Select and <u>appoint</u> committee members who are not non-executive directors</b>.</li> </ul> <p>The process will include an evaluation of the balance of skills, knowledge, experience, diversity and independence on the boards and committees of the Bromford Group and the preparation of a description of the role/capabilities required for a particular appointment. In identifying suitable candidates, ensure:</p> <ul style="list-style-type: none"> <li>- recruitment is carried out in compliance with the Board Recruitment Policy – where appropriate open advertising or the services of external advisers are used to facilitate the search;</li> <li>- candidates from a wide range of backgrounds are considered;</li> <li>- candidates are considered on merit and against objective criteria - with due regard for the benefits of diversity on the board;</li> <li>- appointees have enough time available to devote to the position;</li> <li>- the terms set out in the Agreement for Services (non-executive directors) are fit for purpose.</li> </ul> <p><b>New appointees</b> – ensure that</p> <ul style="list-style-type: none"> <li>- all proposed appointees are required to disclose any other business interests that may result in a <b>conflict of interest</b> and are required to report any future business interests that could result in a conflict of interest.</li> </ul>

	<ul style="list-style-type: none"> <li>- on appointment, non-executive directors receive a <b>formal letter of appointment</b> (and Agreement for Services) setting out clearly what is expected in terms of time commitment, board and committee service and involvement outside board meetings.</li> <li>- all non-executive directors satisfy the <b>independence criteria</b> set out in the UK Corporate Governance Code.</li> </ul> <p><b>Existing appointees</b> - review annually <b>the time required from non-executive directors</b>. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.</p>
<p><b>NOMINATION</b></p> <p><b>Recommendations to the Board</b></p>	<p><b>Make recommendations to the Board regarding</b></p> <ul style="list-style-type: none"> <li>- proposals for succession planning for the Board and executive directors</li> <li>- suitable candidates for the roles of <b>Chair and Vice Chair (Vice Chair will be the Senior Independent Director)</b></li> <li>- the appointment (and, if necessary, dismissal of) the <b>Chief Executive</b> and Chief Executive Designate (and his/her terms of employment, remuneration and benefits package)</li> <li>- appointments (including the role of chair to a board/committee) to the <b>Board, subsidiary boards, and committees</b> (other than committee members who are <b>not NEDs</b> – those appointments are dealt with by this Nominations Committee)</li> <li>- the <b>re-appointment of any non-executive director</b> at the conclusion of their term of office (and for any period beyond six years, on an annual basis) taking into account their performance/skills, the skills/experience required and the need for progressive refreshing of the board</li> <li>- matters relating to the <b>continuation in office</b> of any non-executive director at any time - including the removal of a non-executive director from office or the suspension or termination of service of an executive director as an employee of the Group</li> <li>- arrangements for the <b>induction, development and appraisal</b> of non-executive directors. This will include arrangements for an annual effectiveness review of the board and committees and appraisal of individual non-executive directors. Consideration will be given to the benefits of an externally facilitated evaluation being carried out at least every three years.</li> <li>- appointment and removal of the Company Secretary</li> </ul>
<p><b>REMUNERATION</b></p>	<p><b>Remuneration and Pay Policy</b></p> <p>Ensure that no director is involved in any decisions as to their own remuneration;</p> <p>In determining the policies:</p> <ul style="list-style-type: none"> <li>- take into account all relevant factors including relevant legal and regulatory requirements ;</li> <li>- review and have regard to the remuneration trends across the Group;</li> </ul> <p>Keep under review the ongoing appropriateness and relevance of the policies;</p> <p>Obtain up-to-date remuneration benchmarking information – within and outside the sector. To help it fulfil its obligations the Committee will have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information;</p>

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

**Non-Executive directors**

- Develop and **make recommendation to the Board** on the policy and level of payment of non-executive directors.

**Advisors to the Committees**

- Develop and make recommendation to the Board on the level of payment (if any) for any Advisors to a Committee

**Executive directors**

- Within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive, as appropriate, **agree** the total individual remuneration package of the **Chief Executive, Chief Executive Designate and each executive director;**
- Approve the design of, and agree targets for, any **performance related pay schemes** for executive directors;
- Agree the policy for, and scope of, **pension arrangements** for the Chief Executive, Chief Executive Designate and Executive Directors

**Termination**

Ensure that Chief Executive, Chief Executive Designate and Executive Director **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

**Executive Performance Award Scheme**

Approve the awards of the executive performance scheme

**Expenses**

Approve the policy for claims for **expenses from the non-executive and executive** directors, Chief Executive and Chief Executive Designate