



BRIDGEPOINT GROUP PLC

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

These Terms of Reference for the Remuneration Committee (the “**Committee**”) have been adopted by the Board of Directors (the “**Board**”) of Bridgepoint Group plc (the “**Company**”). The Committee shall review and reassess these Terms of Reference at appropriate intervals, and at least annually, and recommend any proposed changes to the Board for approval.

1. PURPOSE

The Committee shall assist in fulfilling the Board’s oversight responsibilities relating to remuneration for the Company and its group as a whole (the “**Group**”). In summary, the Board shall be responsible for monitoring and approving the Company’s policies relating to remuneration of the executive chairman of the Board (the “**Executive Chairman**”), executive directors and members of senior management.

2. DUTIES AND RESPONSIBILITIES

In furtherance of this purpose, the Committee shall have the following duties and responsibilities:

- 2.1 Having delegated responsibility for determining the policy for directors’ remuneration and setting remuneration for the Executive Chairman and executive directors and senior management, being the first layer of management below the level of the Board including the company secretary, in accordance with the principles and provisions of the UK Corporate Governance Code (the “**Code**”). The remuneration of non-executive directors shall be a matter for the executive members of the Board. No individual shall be involved in any decisions as to their own remuneration.
- 2.2 Within the terms of the agreed policy and in consultation with the Executive Chairman and/or group chief financial officer, as appropriate, determining the total individual remuneration package of each executive director, the Executive Chairman and senior managers including bonuses, incentive payments and share options or other share awards. The choice of financial, non-financial and strategic performance measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of Company and individual performance, and wider circumstances.
- 2.3 Reviewing the on-going appropriateness and relevance of the remuneration policy to ensure that it is aligned with the Company’s purpose and values and the successful delivery of the Company’s long-term strategy.
- 2.4 Determining the policy for, and scope of, pension arrangements for the Executive Chairman, each executive director and senior management members, in the context of equivalent arrangements for the wider workforce.
- 2.5 Ensuring that the contractual terms on termination in respect of the Executive Chairman and each executive director, and any payments made to them, are fair to the individual and the Company (or relevant member of the Group), do not reward failure and fully recognise the duty to mitigate loss.
- 2.6 Reviewing workforce remuneration and related policies.
- 2.7 Reviewing and noting annually the remuneration trends across the Company, the Group and comparable companies to ensure that remuneration is competitive, fair and appropriate.

- 2.8 Taking into consideration wider workforce remuneration and policies and the alignment of incentives and rewards with culture when deciding remuneration for the Executive Chairman, executive directors, the Company Secretary and the senior management members.
- 2.9 Ensuring that the following points are considered and addressed in any remuneration policy: (i) clarity; (ii) simplicity; (iii) risks associated with excessive awards; (iv) predictability of potential reward delivered; (v) link between pay, strategy and long-term Company performance; and (vi) alignment to culture.
- 2.10 Overseeing any major changes in employee benefit structures throughout the Group.
- 2.11 Agreeing the policy for authorising claims for expenses.
- 2.12 In determining the remuneration policy in respect of Company directors and the formation and operation of share incentive plans, giving due regard to all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations in the Code and the Financial Conduct Authority's Listing Rules, published guidelines and recommendations and any other applicable rules, as appropriate. The objective of such remuneration policy shall be to allow the Company to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary having regard to the views of the shareholders and stakeholders, to drive the long-term success of the Company and to deliver sustainable value to shareholders.
- 2.13 In addition to the Financial Conduct Authority's Listing Rules and the Code, the Committee will comply with all relevant financial services regulatory requirements which the Group is or becomes subject to, both in the UK and globally. This may include the requirement to approve the criteria and process for the identification of Material Risk Takers ("MRTs"), periodically review the list of those MRTs, and review the appropriateness of remuneration of all employees identified as MRTs.
- 2.14 Managing potential conflicts of interest in the process of determining remuneration.
- 2.15 Approving design of, and determining targets for, any performance related pay schemes operated by the Company (but not other members of the Group) and approving the total annual payments made under such schemes.
- 2.16 Making recommendations regarding the design of all share incentive plans for the approval by the Board and shareholders. For any such plans, determining each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and senior managers, and the performance targets to be used. Reviewing the design of such share incentive plans periodically.
- 2.17 Establishing remuneration schemes that promote long-term shareholding by the Executive Chairman and executive directors and support alignment with long-term shareholder interests, and establishing a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares (if applicable).
- 2.18 Designing remuneration policies and practices to support the Company's strategy and promote long term sustainable success, with executive remuneration that is aligned to the Company's purpose and values, that is clearly linked to the successful delivery of the Company's long-term strategy, and that enables recovery and/or withholding of sums or share awards under appropriate specified circumstances.
- 2.19 Ensuring that remuneration schemes and policies enable the Committee to use flexibility and discretion to override formulaic outcomes, and exercise independent judgement and discretion when authorising remuneration outcomes, taking into account Company and individual performance, and wider circumstances.
- 2.20 Ensuring that provisions regarding the public disclosure of information relating to the remuneration policy as required by regulation or under the Code are fulfilled.

- 2.21 Delegating any of its responsibilities to such subcommittees as the Committee may deem appropriate in its sole discretion.
- 2.22 Working and liaising as necessary with other board committees, ensuring that the interaction between committees and with the Board is reviewed regularly.

3. MEMBERSHIP AND INDEPENDENCE REQUIREMENTS

- 3.1 The Committee shall consist of at least three (3) members. Members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the committee chair (the “**Committee Chair**”). All Committee members shall be independent non-executive directors of the Company. The Executive Chairman shall not serve on the Committee.
- 3.2 The Company Secretary or his or her nominee shall act as the secretary of the Committee (the “**Committee Secretary**”) and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 3.3 Only members of the Committee have the right to attend Committee meetings. Other individuals, such as the Executive Chairman, other directors and external advisors, may be invited to attend for all or part of any meeting, as and when appropriate.
- 3.4 The Committee Chair shall be an independent non-executive director and shall be appointed by the Board on the recommendation of the Nomination Committee of the Company. Before appointment as Committee Chair, the appointee should have served on a remuneration committee for at least 12 months. The Committee Chair shall be entitled to chair all regular sessions of the Committee and add topics to the agenda. In the absence of the Committee Chair/and or an appointed alternate, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed as Committee Chair.
- 3.5 Appointments to the Committee shall be for a period of three (3) years, which may be extendable by no more than two (2) additional three (3) year periods, provided that the members continue to be independent.
- 3.6 If any member of the Committee is unable to act for any reason, the Committee Chair may appoint any other independent non-executive director of the Company to act as his or her alternate.

4. MEETINGS

- 4.1 The Committee shall meet, in person or by telephone or video conference, at least three (3) times a year, or more frequently as circumstances dictate, and all Committee members shall strive to be present at all Committee meetings. The Committee meetings shall follow a set agenda established by the Committee.
- 4.2 Two (2) Committee members, acting in person or by telephone or video conference or by proxy, shall constitute a quorum. 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.
- 4.3 Each Committee member shall have one vote, which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person or by audio or video conference).
- 4.4 The members of the Committee shall, at the beginning of each meeting, declare the existence of any conflicts of interest arising and the Committee Secretary shall minute them accordingly. If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote on the matter.
- 4.5 Decisions of the Committee will be made by majority vote. In the event of an equality of votes, except where he or she has a personal interest, the Committee Chair shall have a casting vote. Any member

of the Committee who remains opposed to a proposal after a vote can ask for his or her dissent to be noted in the minutes.

5. NOTICE OF MEETINGS

- 5.1 Meetings of the Committee shall be called by the Committee Secretary at the request of any of its members.
- 5.2 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 Committee Secretary to each member of the Committee, and any other person required to attend, no later than three working days before the date of the meeting. Supporting papers shall be sent to Committee members and to the attendees, as appropriate, at the same time.

6. REPORTING PROCEDURES

- 6.1 The Committee Secretary shall minute the proceedings and decisions of all Committee meetings including recording the names of those present and in attendance, circulate the minutes of the meeting of the Committee to all members of the Committee and maintain a minute book containing minutes of meetings signed by the chair of the meeting.
- 6.2 Draft minutes of the Committee meetings shall be circulated to all members of the Committee. The Committee Chair shall report the nature and content of discussions, recommendations and actions to be taken to the Board after each Committee meeting, including reporting on how it has discharged its responsibilities, and, once agreed upon by the Committee, shall provide to the Board and the Company Secretary a copy of the minutes, unless in the opinion of the Committee Chair there are exceptional circumstances that make it inappropriate to do so. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed and adequate time should be available for Board discussion when necessary.
- 6.3 The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.
- 6.4 The Committee will ensure that provisions regarding disclosure of information, including pensions, as set out in the Companies Act 2006, the Code, the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and any other relevant laws, regulations and codes of practice are fulfilled and produce a remuneration report to be included in the Company's annual report and put to the shareholders for approval at the AGM (as necessary) in accordance with applicable law, regulations and codes of practice, including:
 - (a) an annual statement from the Committee Chair;
 - (b) the remuneration policy, or summary, as appropriate;
 - (c) a description of the Committee's work;
 - (d) an explanation of the strategic rationale for the Executive Chairman and executive directors' remuneration policies, structures and performance metrics;
 - (e) reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps;
 - (f) a description, with examples, of how the Committee has addressed the factors in paragraph 2.9 above;
 - (g) whether the remuneration policy operated as intended in terms of Company performance and quantum, and, if not, what changes are necessary;

- (h) what engagement has taken place with shareholders and the impact this has had on remuneration policy and outcomes;
 - (i) what engagement with the workforce has taken place to explain how executive remuneration aligns with wider Company pay policy; and
 - (j) to what extent discretion has been applied to remuneration outcomes and the reasons why.
- 6.5 The Committee will report on the ratios of pay between the Executive Chairman and the required percentiles of the Company's employees.
- 6.6 Through the Senior Independent Director, the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.
- 6.7 The terms of reference of the Committee will be made available on the Company's website.

7. ANNUAL PERFORMANCE EVALUATION

- 7.1 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.
- 7.2 To ensure that the Committee remains up to date with developments regarding executive remuneration, appropriate and timely training both in the form of an induction programme for new members and on an ongoing basis for all members, shall be provided to the Committee from suitably qualified internal or external advisers.
- 7.3 The Committee will give due consideration to all relevant laws, regulations and codes of practice in relation to executive remuneration, including, but not limited to, the provisions of the Code, the Companies Act 2006 and the requirements of the Financial Conduct Authority.

8. OUTSIDE ADVISORS

The Committee shall have the authority to retain, at the Company's expense, remuneration consultants to assist in the evaluation of matters within its terms of reference and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company. The Committee shall exercise independent judgement when evaluating advice received from consultants and shall consider whether the advice received is appropriate, objective and independent. The Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants. The Committee may retain and terminate these advisors without seeking Board approval and shall have sole authority to approve related fees and retention terms. The Committee and the Board shall ensure that any such remuneration consultants retained shall be identified in the Company's annual report, together with a statement as to whether they have any other connection with the Company or individual directors.

9. AUTHORITY

- 9.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties and shall have unrestricted access to the Company's documents and information.
- 9.2 In connection with its duties the Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice on any matters within its Terms of Reference.
- 9.3 The Committee shall have the authority to call any employee to attend a meeting of the Committee as and when required.

10. **OTHER MATTERS**

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 10.2 ensure the periodic evaluation of the Committee's own performance is carried out;
- 10.3 consider other matters as referred to the Committee by the Board; and
- 10.4 oversee any investigation of activities which are within its Terms of Reference.

As approved by the Board on 12 July 2021.