

1. PURPOSE

- 1.1. The board of directors (the "Board") of Intermediate Capital Group plc (the "Company") has established a committee of the Board known as the Remuneration Committee (the "Committee") in accordance with the principles of the UK Corporate Governance Code (the "Code") and relevant remuneration regulatory requirements¹.
- 1.2. The role of the Committee is to support the Company and its subsidiaries (the "Group") in determining the Company's remuneration policy and the compensation of the Board Chair, executive directors of the Company ("**Executive Directors**") and its Material Risk Takers (within the meaning given by relevant remuneration regulatory requirements). The Committee will not set the compensation of Non-Executive Directors which will be overseen by the Chair and the Executive Directors.
- 1.3. The Committee also reviews the remuneration policies and strategic framework for all employees.

2. MEMBERSHIP

- 2.1. The Committee will comprise at least three independent Non-Executive Directors. The Board Chair may also serve on the Committee as an additional member if he or she was considered independent on appointment as Board Chair.
- 2.2. Appointments to the Committee are made by the Board on the recommendation of the Nomination Committee and in consultation with the Committee Chair and will be for a period of up to three years, which may be extended for up to two additional three-year periods, provided that members (other than the Board Chair, if they are a member of the Committee) continue to be independent.
- 2.3. Only members of the Committee, and the Board Chair if not a member, have the right to attend Committee meetings. Other individuals may be invited by the Committee Chair to attend all or part of meetings.
- 2.4. The Board will appoint the Committee Chair, who will be an independent Non-Executive Director and who will have a minimum of twelve months' experience on a remuneration committee prior to appointment.
- 2.5. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present will elect a member of the Committee to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Board Chair will not be the Committee Chair.
- 2.6. No individual will be involved in decisions regarding their own remuneration.

¹ Currently the MIFIDPRU Remuneration Code ("SYSC 19G"), the AIFM Remuneration Code ("SYSC 19B") and the Alternative Investment Fund Managers Directive of 8 June 2011 as amended ("AIFMD").

3. SECRETARY

- 3.1. The Company Secretary or their nominee will act as the Committee Secretary and will be responsible for ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 3.2. The Company Secretary will also be responsible for ensuring that the Committee complies with its terms of reference.

4. QUORUM

- 4.1. The quorum necessary for the transaction of business will be two members. Members may attend in person or by telephone or video conference. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 4.2. Circulated written resolutions will constitute a resolution of the Committee.

5. FREQUENCY OF MEETINGS

- 5.1. The Committee will meet at least three times a year and otherwise as required.

6. NOTICE OF MEETINGS

- 6.1. Meetings of the Committee will be convened by the Committee Secretary at the request of the Committee Chair or the Board Chair or any of the Committee's members.
- 6.2. Unless otherwise agreed with the Committee Chair, notice of meetings confirming the venue, time and date together with the agenda and supporting papers will be forwarded to each member of the Committee no later than five working days before the date of the meeting. Relevant papers may be made available to other individuals required to attend, as appropriate.

7. MINUTES OF MEETINGS

- 7.1. The Committee Secretary will minute the proceedings and resolutions of all Committee meetings and record declarations of interests and those present and in attendance.
- 7.2. Draft minutes of Committee meetings will be circulated to the Committee Chair and subsequently be circulated to Committee members for approval and to the Board Chair. The approved minutes will be made available to the Board unless, exceptionally, it would be inappropriate to do so.

8. SHAREHOLDER ENGAGEMENT

- 8.1. The Committee Chair should attend the Annual General Meeting ("AGM") to answer shareholders' questions on the Committee's activities. The Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

9. DUTIES

9.1. Advice to the Board

9.1.1. Periodically review the Committee's performance and, at least annually, review its constitution and terms of reference to ensure it is operating effectively. Recommend appropriate changes to the Board.

9.2. Advice to the Board having received the advice of the Risk Committee

9.2.1. Recommend the Group's directors' remuneration policy to be recommended to shareholders ensuring compliance with applicable laws, regulations and Group risk appetite (which is defined and communicated by the Board).

9.3. Advice to the Nominations and Governance Committee and the Board

9.3.1. Recommend the remuneration terms for any person proposed to join the Board as the Board Chair or an Executive Director.

9.4. Other duties

9.4.1. Approve the overarching remuneration policy of the Group, ensuring compliance with applicable laws, regulations, the Equality Act 2010 and relevant local legislation.

9.4.2. Periodically review the on-going appropriateness, relevance and effectiveness of the remuneration policy, including compliance with relevant remuneration regulatory requirements.

9.4.3. Adopt any-share-based incentive arrangements operated by a Group member ("Share Plans") and, where relevant, approve them to be recommended to shareholders.

9.4.4. Make remuneration adjustments related to malus and clawback under the terms of any annual bonus plan, the Share Plans or other incentive arrangement operated by a Group member ("Incentive Plans").

9.4.5. For all Share Plans, determine when awards will be made, the aggregate quantum of such awards, the individual awards to Material Risk Takers and having taken advice from the Company Chair, the individual awards to Executive Directors.

9.4.6. In consultation with the Chair of the Board, determine the contractual terms of employment of the Executive Directors ensuring these are maintained in accordance with the requirements of the Code and relevant regulatory requirements.

9.4.7. Approve the level and structure of remuneration for the Chair of the Board, Executive Directors and Material Risk Takers, taking account of all relevant factors including relevant legal and regulatory and Code requirements, recommendations and associated guidance, whilst seeking to attract, retain and motivate management of the quality required to run the Group successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders.

- 9.4.8. Determine targets or key performance indicators (consistent with the Group's strategy, budget and individuals' personal objectives) for Incentive Plans applicable to Executive Directors and determine the outcomes under such Incentive Plans.
- 9.4.9. Make proportionate adjustments to any employee's remuneration for events that have been detrimental to the Group including events that have exceeded the Board's risk appetite (which is defined and communicated by the Board), having received any advice from the Chair of the Board, the Audit Committee and the Risk Committee.
- 9.4.10. Approve and ensure that any payments made on the termination of employment of an Executive Director and Material Risk Takers are in accordance with contractual terms, relevant laws and relevant remuneration regulatory requirements and are fair to the individual and the Company, ensuring that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 9.4.11. Ensure that any compensation decisions are sensitive to pay and employment conditions elsewhere in the Group, especially when determining annual salary increases.
- 9.4.12. Approve the methodology under which Material Risk Takers are identified in line with relevant remuneration regulatory requirements and the resulting list of roles on an annual basis.
- 9.4.13. Approve the ratios set between variable and fixed remuneration for Material Risk Takers under SYSC 19G on an annual basis.
- 9.4.14. Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity.
- 9.4.15. Ensure the Committee maintains contact with its principal shareholders about remuneration.
- 9.4.16. The exercise of any discretion under any of the Share Plans except those specifically delegated to the Chief Executive and/or the Chief People and External Affairs Officer.
- 9.4.17. Establish the selection criteria, select, appoint and set the terms of reference for remuneration consultants who advise the Committee.
- 9.4.18. Fulfil all other duties required of the Committee under the Incentive Schemes.
- 9.4.19. As required, review and approve:
- 9.4.19.1. Directors' expense claims;
 - 9.4.19.2. The Company's compliance with policies overseen by the Committee, including any external disclosures relating to the policies.
- 9.5. Other duties having received the advice of the Chief Executive
- 9.5.1. For all Share Plans, determine the individual awards to Material Risk Takers.

- 9.5.2. Approve the maximum aggregate increase in salaries for the year.
- 9.5.3. Approve the aggregate remuneration pool ensuring it is compliant with the Group's remuneration policy.
- 9.5.4. Approve the operation of any Business Growth Pool in accordance with the Group's remuneration policy and approving any use of the Business Growth Pool and all related documentation.
- 9.5.5. Approve all recruitment packages which are to be awarded to employees who are anticipated to be Material Risk Takers under applicable remuneration regulations in the first full year of employment.
- 9.5.6. Work and liaise as necessary with all other Board committees.
- 9.6. Oversee the implementation of the Company's remuneration policy and practices including:
 - 9.6.1. At least annually, conducting a central and independent internal review of whether the remuneration policies and practices (established by the Board) are being appropriately implemented (or procuring that such a review is conducted);
 - 9.6.2. Overseeing the practices and policies concerned with carried interest arrangements, in line with regulatory requirements; and
 - 9.6.3. overseeing any major changes in employee benefit plans.
- 9.7. Matters which are fully delegated to the Chief Executive Officer
 - 9.7.1. Responsibility for all decisions on the following matters:
 - 9.7.1.1. for those persons who are not determined to be Material Risk Takers and who are not direct reports of the Executive Directors, all decisions in relation to the Incentive Plans;
 - 9.7.1.2. for those persons who are determined to be Material Risk Takers or who are direct reports of the Executive Directors, decisions in relation to the treatment of participants in the Incentive Plans leaving the Group in accordance with the stated rules of the relevant plan;
 - 9.7.1.3. the execution of award certificates and letters under the Omnibus Plan and the Deal Vintage Plan;
 - 9.7.1.4. setting payment dates under the Deal Vintage Plan.
- 9.8. Responsibility for approving all recruitment packages which are to be awarded to employees who are not anticipated to be Material Risk Takers in the first full year of employment.
- 9.9. Approve and ensure that any payments made on the termination of employment of employees who are not determined to be Material Risk Takers are in accordance with contractual terms, relevant laws and relevant remuneration regulatory requirements.

9.10. Matters which are fully delegated to the Chief Financial Officer

9.10.1. Responsibility for the administration and hedging of awards under, and corporate tax issues relating to, the Share Plans.

10. REPORTING RESPONSIBILITIES

10.1. The Committee Chair will update the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.

10.2. The Committee will 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.

10.3. The Committee will provide a description of its work in the annual report in line with the requirements of the Code.

10.4. The Committee will ensure that:

10.4.1. the provisions regarding the disclosure of information set out in the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended from time to time) and the Code are fulfilled;

10.4.2. a report on the application of the Company's remuneration policy and practices relating to the remuneration of current and former directors of the Company (to be included in the Company's annual report) is produced each year;

10.4.3. the report referred to in 10.4.2 is put to the Company's shareholders for approval at the AGM each year, and

10.4.4. at least every three years, or more often as required by law, the Company's directors' remuneration policy is put to the Company's shareholders for approval at the AGM.

10.5. If the Committee has appointed remuneration consultants, the report referred to in 10.4.2 should identify such consultants and state whether they have any other connection with the Company.

10.6. The Committee shall approve the contents of the annual Remuneration Policy Statement(s), as required under relevant regulatory requirements.

10.7. On an annual basis the Committee shall review, and approve for publication, the Group's Gender Pay Gap reporting.

11. OTHER MATTERS

11.1. The Committee will have access to sufficient resources to carry out its duties, including access to the Company secretariat for advice and assistance as required.

11.2. The Committee:

- 11.2.1. may seek any information it requires from any employee of the Group in order to perform its duties;
 - 11.2.2. may call any employee of the Group to be questioned at a meeting of the Committee as and when required; and
 - 11.2.3. will have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.
- 11.3. The Committee will 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.
- 11.4. The Committee shall arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

12. AUTHORITY

- 12.1. The Committee is authorised to obtain, at the Company's expense, outside legal, human resources or other professional advice on any matters within its terms of reference.

13. AMENDMENTS

- 13.1. Amendments to these terms of reference require the approval of the Board.