

HASTINGS GROUP HOLDINGS plc (the “Company”)

REMUNERATION COMMITTEE - TERMS OF REFERENCE

Definitions

In these Terms of Reference the following terms shall have the following meanings:

the “ Articles ”	means the Company’s Articles of Association, as amended from time to time;
the “ Board ”	means the board of directors of the Company;
the “ Code ”	means the UK Corporate Governance Code
the “ Committee ”	means the Remuneration Committee;
the “ FCA ”	means the UK Financial Conduct Authority (or any successor body);
the “ GFSC ”	means the Gibraltar Financial Services Commission (or any successor body);
the “ Group ”	means the Company and its direct and indirect subsidiaries from time to time;
“ INED ”	means an independent non-executive Director appointed by the Company in accordance with the Articles;
“ Regulated Subsidiary ”	means any of the Company’s subsidiary companies which is separately regulated by the FCA or the GFSC and “ Regulated Subsidiaries ” means all of such subsidiary companies;
“ Relationship Agreements ”	means the agreements between, inter alia, the Company, GS and Founder Shareholders (such terms as defined therein); and the Company, Rand Merchant Investment Holdings Limited and Main Street 1353 Proprietary Limited.

1. Background and Purpose

- 1.1 The Board is responsible for directing the affairs of the Group in a manner that meets both shareholder and regulatory requirements and is consistent with the Articles and current corporate governance standards. The Board is also responsible for ensuring that each of its Regulated Subsidiaries acts in compliance with its respective regulatory obligations. However, provided the Board can demonstrate it is acting within its over-arching obligations of good faith and duty of care, it is able to delegate the discharge of those responsibilities to the respective board of each Regulated Subsidiary.
- 1.2 The purpose of the Committee is to assist the Board in discharging its responsibilities for:
 - 1.2.1 maintaining a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors and other senior executive managers of the Group; and
 - 1.2.3 ensuring that responsibility for managing and monitoring such matters in each of the Regulated Subsidiaries has been effectively delegated to the respective board of directors and or board committee.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the chair of the Committee from time to time, with due regard to the Relationship Agreements. The Committee shall be made up of at least three members, a majority of whom shall be INEDs;
- 2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the head of the Group’s human resources function and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary. A Committee member shall withdraw from any meeting whilst his own remuneration is considered;

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- 2.3 The Board shall appoint the Committee Chair, who shall be an INED. In the absence of the designated Committee Chair, the remaining members present shall elect one of their number to chair the meeting, provided that the chair shall always be an INED
- 2.4 If any member of the Committee, who, is unable to attend any meeting, he shall be permitted to appoint an alternate for that meeting and such alternate shall then be deemed a member of the Committee for the purposes of establishing a quorum for the meeting.
- 2.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

3. Secretary

- 3.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.
- 3.2 The Secretary must 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 The Secretary must ascertain, at the beginning of each meeting, whether any conflicts of interest exist and, if so, minute them accordingly.

4. Quorum

The quorum necessary for the transaction of business shall be two members or, if at any time membership includes persons who are not INEDs, such higher number to ensure that a majority of INEDs is present. 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.

5. Frequency of Meetings

- 5.1 The Committee shall meet formally at least four times a year and at such other times as the chair of the Committee shall require;
- 5.2 Should it be necessary to consider any matter that would otherwise be required to be considered and approved at a meeting of the Committee and, in the opinion of the chair, it would not be possible or convenient to convene a meeting for that purpose, it will be possible for the Committee to consider the matter via exchange of emails. In such circumstances, full details of the matter to be considered should be circulated to all Committee members who should signify their response/approval by email response;
- 5.3 Details of any matter reviewed and approved outside of a formal meeting of the Committee in the above circumstances should be noted in the minutes of the subsequent Committee meeting.

6. Notice of Meetings

- 6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the chair or any of the Committee members or of either the external or internal auditors;
- 6.2 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 to each member of the Committee and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

7. Minutes of Meetings

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance;

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7.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists or it would otherwise be inappropriate to do so.

8. Duties - Remuneration

The Committee should, in accordance with the Relationship Agreements, carry out the duties below for the Company and/or Group, as appropriate:

The Committee shall:

- 8.1 determine and agree with the Board the remuneration policy including pension rights and compensation payments of the executive directors, the company secretary and such other members of the Group’s senior executive management as it is designated to consider. The Board chair and the GS and Founder Shareholders shall determine the remuneration of the INEDs within the limits set out in the Articles. No director or manager shall be involved in any decisions as to their own remuneration;
- 8.2 in determining such policy take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code and the FCA’s Remuneration Code and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to be rewarded for their individual contributions to the success of the Group or Regulated Subsidiary without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Group and alignment to the Group’s long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long term success of the Group.
- 8.3 when setting remuneration policy for directors, review and have regard to pay and employment conditions across the Group, the remuneration trends in the industry and peer groups especially when setting remuneration and annual salary increases;
- 8.4 review the ongoing appropriateness and relevance of the remuneration policy and, as per the requirements of the Companies Act 2006, ensure the policy is laid before shareholders for their approval at an Annual General Meeting at least every three years or where material changes have been made to the remuneration policy;
- 8.5 within the terms of the agreed policy and in consultation with the Board chair and/or the chief executive officer determine and approve the total individual remuneration package of the executive directors and senior executive managers including bonuses, incentive payments and share options or other share awards;
- 8.6 be aware of and advise the Board on any major changes in employee benefit structures throughout the Group;
- 8.7 obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it 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, within any budgetary restraints imposed by the Board;
- 8.8 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 8.9 approve the design of, and determine targets for, any performance related pay schemes for executive directors and senior executive managers within the Group and approve the total annual payments made under such schemes;
- 8.10 approve the design of all share incentive plans for approval by the Board and shareholders. 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, company secretary and other designated senior executive managers and the performance targets to be used;

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- 8.11 determine the policy for, and scope of, pension arrangements for each executive director as appropriate and other designated senior executive managers;
- 8.12 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;
- 8.13 oversee any major changes in employee benefits structures throughout the Group, to the extent such approval is outside the scope of authority of the relevant board or committee of a Regulated Subsidiary;
- 8.14 agree the policy for authorising expense claims for directors;
- 8.15 ensure that provisions regarding disclosure of information relating to directors’ remuneration including, where required by law, the directors’ remuneration policy and its implementation, as set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations, the Companies Act 2006, the FCA’s Listing Rules, the Code and all other relevant laws and regulations, are fulfilled and to produce report(s) on the directors’ remuneration including, where required, the directors’ remuneration policy and its implementation, which will form part of the Company’s annual report;
- 8.16 consider any other matters as may be requested by the Board;
- 8.17 work and liaise as necessary with all other Board committees.

In relation to the above, the Committee shall at all times give due regard to published or other available information relating to pay, bonuses and other benefits of executives in companies which are comparable to the Company.

9. Reporting Responsibilities

- 9.1 The Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- 9.3 The Committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulation 2008 and the Code, are fulfilled and produce a report of the Group’s remuneration policy and practices to be included in the Group’s annual report and ensure each year that it is put to shareholders for approval at the AGM; and
- 9.4 Through the chair of the Board, the Committee shall ensure that the Group maintains contact as required with its principal shareholders about remuneration.

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 secretariat for assistance as required;
- 10.2 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;
- 10.3 give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies and formation and operation of share schemes including but not limited to the provisions of the Code, the requirements of the UK Listing Authority’s Listing, the Prospectus and Disclosure and Transparency Rules as well as guidelines published by the FCA, GFSC and the National Association of Pension Funds and any other applicable rules as appropriate;

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10.4 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.

11. Authority

The Committee is authorised:

- 11.1 to seek any information it requires from any employee of the Group in order to perform its duties;
- 11.2 to obtain, at the Company’s expense, outside legal or other professional advice on any other matter within its terms of reference; and
- 11.3 to call any employee of the Group to be questioned at a meeting of the Committee as and when required.