

Wakam UK Limited
(the “Company”)

Nomination & Remuneration Committee - Terms of Reference

1. Purpose

- 1.1 The Board of Directors of the Company (the “Board”) has established a Nomination & Remuneration Committee (the “Committee”) whose duties and responsibilities are discharged with respect to the Company.
- 1.2 The Committee is responsible for assisting the Board in fulfilling its responsibilities, including but not limited to:
 - a) determining the composition of, recruitment to, and succession planning for, the Board members and members of its committees, taking into account the Group’s strategic priorities and the factors affecting the long term success and future viability of the Company;
 - b) ensuring that appropriate succession plans are in place for the Executive Directors and identified Senior Management;
 - c) reviewing and determining the design, implementation and operation of specific remuneration arrangements for the Executive Directors, identified members of Senior Management, and any “identified staff”;
 - d) establishing, approving, and maintaining the principles and framework of the general remuneration policies of the Company;
 - e) keeping under review potential conflicts of interests of Directors disclosed to the Company and developing appropriate processes for managing such conflicts where the Committee considers this necessary.
- 1.3 The more specific responsibilities of the Committee are set out in section 4.

2. Constitution of the Committee

- 2.1 Membership – There shall be at least two Independent Non-Executive Directors (“Directors”) who comprise the majority of members of the Committee. The Chair of the Committee shall be a Non-Executive Director who may be also be the Chair of the Board.
- 2.2 Appointment of Members – The Board shall appoint members of the Committee.
- 2.3 Appointment Term – Appointments shall be for a period of up to three years which may be extended by a further two additional periods of up to three years, subject to the members still meeting the criteria for membership of the Committee.
- 2.4 Quorum – The quorum for meetings shall be two members, one of whom shall be the Chair, or their appointed deputy who shall also be a Non-Executive Director. 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 it by the Board.

- 2.5 Voting – Each Committee member in attendance at a meeting (whether in person or by telephone or video conference) shall have one vote which may be cast on matters considered at the meeting except where they are deemed, either directly or indirectly, to have a personal interest. The Committee Chair shall have a casting vote except where they have a personal interest.
- 2.6 Secretary – The Company Secretary of the Company (the “Secretary”), or their nominee, shall act as secretary to the Committee 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 and matters laid before it.
- 2.7 Frequency of Meetings – The Committee shall meet at least three times per year and at any other time as the Committee’s role and responsibilities require.
- 2.8 Attendance at Meetings – Only Committee members have the right to attend Committee meetings. Other individuals may be invited to attend for all or any part of any meeting as and when the Committee Chair considers it appropriate.
- 2.9 Remote Attendance - Meetings may be conducted by telephone or video conference and decisions made by such means shall be appropriately recorded and shall have the same effect as those conducted in person.
- 2.10 Notice of Meetings – Meetings of the Committee shall be convened by the Secretary at the request of the Committee Chair or any other Committee member. Unless otherwise agreed, and except where a situation of urgency otherwise requires, wherever practicable, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Committee member no later than five business 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 or at shorter notice with the Committee Chair’s approval.
- 2.11 Minutes of Meetings – The Secretary or their nominee shall minute the proceedings and decisions of all Committee meetings. Draft minutes shall be agreed with the Committee Chair and circulated promptly to all Committee members. Particular attention shall be paid to the minuting of sensitive information with the Committee Chair determining if and where minutes need to be redacted before being circulated to all other Board members.

3. Annual General Meeting

- 3.1 The Committee Chair shall attend the Annual General Meeting (the “AGM”) of the Company to answer any shareholder questions on matters within the Committee’s area of responsibility.

4. Responsibility

The Committee shall carry out the following duties:

Board and Committee Members

- 4.1 Review the structure, size and composition (including the skills, independence, knowledge, experience and diversity) of the Board (and its committees) and the Company taking account of the Company's strategic priorities and the matters affecting the Company, before making recommendations to the Board with regard to any changes. This shall be formally documented on at least an annual basis.
- 4.2 In making recommendations on the composition of the Board's committees, the Committee shall give consideration to the benefits of cross membership and of progressive refreshing of the Board's committees to promote diversity of thought and fresh perspectives.
- 4.3 Be responsible for identifying and nominating for the Board's approval candidates to fill Board vacancies as and when they arise.

In identifying suitable candidates the Committee shall:

- i) Use such methods as it deems appropriate, including the use of open advertising or the services of external advisers to facilitate the search;
 - ii) Consider candidates from a diversity of backgrounds;
 - iii) Consider candidates on merit, against objective criteria and with due regard for the benefits of diversity, including but not limited to age, disability, ethnic, educational, social, and gender diversity and cognitive and personal strengths; and,
 - iv) Consider and be comfortable that proposed appointees have sufficient time available to devote to the position, taking into account in particular any additional appointments, roles and/or responsibilities.
- 4.4 Ensure that the description of the role and capabilities required for each Board Director position prepared by HR has regard to the composition of the Board and the knowledge, skills and experience of incumbent Directors, and the strategy and operating context of the Company.
 - 4.5 Consider and make recommendations to the Board on the re-election of Directors at the AGM of the Company each year, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to Directors being re-elected for a term beyond six years).
 - 4.6 Require Directors to apply to the Board for approval before undertaking additional external appointments and review as part of that process whether the number and scale of other appointments may compromise their effectiveness before proposing acceptance or not to the Board.

- 4.7 The Committee shall assist the Chair of the Board and the Senior Independent Director with the implementation and review of an annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its committees, including consideration of the balance of skills, experience, independence and knowledge of the Company, its diversity, how the Board and each of its committees work together as a unit and other factors relevant to the Board's effectiveness.
- 4.8 The Committee shall assess whether the Independent Non-Executive Directors are contributing sufficient time to adequately fulfil their duties. The Committee should, in particular, have regard to any additional roles, appointments and/or responsibilities taken on by the Directors and may consider recommending limits on the number and scale of other appointments it considers permissible for the Chair of the Board and other Independent Non-Executive Directors to hold without compromising their effectiveness.
- 4.9 The Committee shall review the independence of Non-Executive Directors on a regular basis, at least annually.

Succession Planning

- 4.10 The Committee shall keep under review the leadership needs of the Company, be that executive, non-executive or senior management leadership, with a view to ensuring the continued ability of the Company to compete effectively taking into account challenges and opportunities facing the Company and the skills and expertise needed in the future.
- 4.11 The Committee shall formally review Board and senior management succession plans at regular intervals, and at least once a year.
- 4.12 The Committee shall, as and when required, make recommendations to the Board based on merit and objective criteria on Board roles to maintain an appropriate balance of skills, experience, independence, knowledge and diversity, basing recommendations on merit and objective criteria. Particular attention shall be paid to succession in respect of the Chief Executive Officer, the Chair of the Board and other key Board positions e.g., the Senior Independent Director. Non-executive Board members should not hold their position for more than nine years except in exceptional circumstances, and the Committee should be cognisant of this when engaged in succession planning for this role.
- 4.13 The Committee shall oversee the development of a diverse pipeline for succession, having regard to diversity of gender, social, and ethnic backgrounds, cognitive and personal strengths.
- 4.14 The Committee shall consider and advise the Board on any matters arising that relate to the continuation in office of any Director at any time including any proposal for their dismissal, retirement, non-reappointment, promotion, or any other substantial change in their duties or responsibilities or the term of their appointment.

Specific Remuneration Arrangements

- 4.15 Review and approve the annual objectives and performance metrics against which the performance of Executive Directors and Identified staff will be measured in determining their performance.

- 4.16 Review and approve the annual salary and benefit packages and, where applicable, the outcome and delivery of incentive awards for the Executive Directors and Senior Management; Identified staff; and Non-Executive Directors.
- 4.17 Review and approve, on termination, the compensation payments, if any, due to any Non-Executive Director, Executive Director, Senior Manager and identified staff member having regard to the circumstances of the termination and terms of the relevant employment contract and performance-based plans, ensuring that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 4.18 Approve the Material Risk Taker ('MRT') identification framework on an annual basis, as well as review and approve the final list of MRTs annually.
- 4.19 Approve the role and role profile for all SMF roles and also those roles attracting a total expected remuneration package of more than GBP 250k and/or base salary of more than GBP 200k.

Remuneration Strategy & Policy

- 4.20 Establishing and approving the principles and framework of remuneration for all employees within the Company align to applicable regulations, the Company's strategy, risk appetite and solvency management practices, culture, purpose and values and the long-term interests of shareholders and customers;
- 4.21 With respect to 4.16,4.17 and 4.20 above, the Committee shall:
 - i) review and approve the structure of incentive awards, including performance metrics and targets and the proportion of awards to be delivered in shares, ensuring that they promote sound risk management and align employees with the long-term success of the Company and the interests of customers and shareholders;
 - ii) work with the Audit and Risk Committees of the Board to ensure that risk management and the control environment is appropriately represented in the principles and framework of remuneration policies;
 - iii) enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums under appropriate circumstances;
 - iv) ensure that remuneration practices are free from gender, race, age, social, or disability bias.
- 4.22 The Committee shall review the salary and benefits budget for the wider workforce across the Company and review and approve the funding of annual incentive schemes in accordance with agreed performance criteria and the outcome of long-term incentive awards in accordance with the performance criteria established at the grant of the awards, having regard to input from the Audit and Risk Committees of the Board on matters including the effectiveness of risk management, control culture, and behaviours in the Company.
- 4.23 The Committee shall approve any material changes to pension arrangements for the wider workforce.

- 4.24 The Committee shall ensure that total remuneration levels do not limit the ability of the Company to strengthen its capital base.
- 4.25 The Committee will ensure that payments made under the policy for the year take into account legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance including;
- a) The requirements of the PRA and FCA Remuneration Codes and other relevant remuneration regulations; and,
 - b) The requirements of the Solvency II Directive where applicable.
- 4.26 The Committee shall review and approve the grant of discretionary share awards annually, ensuring that all awards are structured and administered in accordance with Company remuneration policies and rules of the applicable share plans approved by shareholders.
- 4.27 The Committee shall ensure review and approve those policies that underpin good employee relations and mitigate against the risk of legal challenge in employment tribunals. The Committee will particularly focus on the following policies: Redundancy; Disciplinary; Capability; Absence and Probation.

Conflicts of Interest

- 4.28 Prior to the appointment of a Director, the proposed appointee shall be required to disclose to the Committee the nature and extent of any other business interests that may result in an actual or potential conflict of interest and be required to report any future business interests that could result in a conflict of interest.
- 4.29 The Committee shall consider and, if appropriate, authorise any actual or potential situational conflicts of interest arising from either new or existing appointments and, in the case of specially material conflicts, advise the Board on whether the conflict should be authorised, including recommending any conditions which should be applied to the authorisation.
- 4.30 Keep under review potential conflicts of interests of Directors disclosed to the Company and develop appropriate processes for managing such conflicts if the Committee considers this necessary.

5. Reporting Responsibilities

- 5.1 The Committee Chair shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities and, subject to clause 2.11, shall make its minutes available to the Board.
- 5.2 The Committee Chair shall formally escalate to the Board in a timely manner any matters they see as requiring rapid escalation.
- 5.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 5.4 The Committee shall compile an annual report which should describe the work of the Committee including its activities and details of the membership of the Committee, the number of meetings held and attendance over the course of the year.

- 5.5 The Committee shall undertake a formal annual review of its own performance and review its Terms of Reference at least annually, to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board. Any changes to the Committee's Terms of Reference must be approved by the Board.
- 5.6 The Committee Chair shall attend the Annual General Meeting (the "AGM") of the Company to answer any shareholder questions on matters within the Committee's area of responsibility.
- 5.7 The Committee shall make its Terms of Reference available to the public and the Company's shareholders via the Company's website.

6. Authority

- 6.1 The Committee shall be authorised to seek any information it requires from any Company (and/or parent company) employee in order to perform its duties and call any employee to be questioned at a Committee meeting as and when required.
- 6.2 The Committee shall be authorised to obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so, and invite persons giving such advice to attend Committee meetings.
- 6.3 The Committee shall be authorised to 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.
- 6.4 The Committee has the delegated authority of the Board in respect of the functions and powers in these Terms of Reference. The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.
- 6.5 Where appropriate to ensure the ongoing operating efficiency of the Committee, the Committee may delegate responsibility to the Committee Chair to execute decisions on its behalf. In these instances, the Committee Chair shall, where appropriate, solicit the views of fellow Committee members.

7. Other

- 7.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
- 7.2 Each member of the Committee will receive an induction upon appointment to the Committee. The level of induction needed will be considered by the Committee Chair. The Committee will receive training on an ongoing basis.
- 7.3 The Committee shall give due consideration to laws and regulations, the provisions of the Companies Act 2006, the Code, guidance as issued by the PRA, the FCA (and/or any and all regulators of the Company or the Group or any one of its constituent entities).
- 7.4 The Committee shall undertake a formal annual review of its own performance and review its Terms of Reference at least annually, to ensure that it is operating effectively.

Approved by the Committee on 24th July 2024