

BLME Holdings plc ('BLMEH plc' or 'Company')

BOARD REMUNERATION COMMITTEE ('REMCO' or 'Committee')

TERMS OF REFERENCE (as at 13th December 2018)

1. Appointment of BLMEH plc Board Remuneration Committee

This Committee is established under the Authority of the Board of BLMEH plc to assist and advise the Board in exercising its responsibilities for all aspects of remuneration practice and policy.

The Articles of Association of BLMEH plc (the Articles) adopted by Special Resolution of the Board passed on 24th June 2013, impose membership criteria and establish proceedings protocols (unless varied by way of Board Resolution) on both the Board and its committees. Any such stipulations are reflected in these Terms of Reference which are intended to be fully compliant. Should any conflict arise between the Terms of Reference for any committee established under the authority of the Board and the Articles, then the requirements of the Articles will take precedence.

2. Purpose

REMCO considers matters relating to the overall reward framework across the Company, including policy for Executive Directors and Senior Executive Management their individual remuneration rewards. It is responsible for all aspects of remuneration practice and policy and ensuring that these are fully compliant with Sharia'a principles, accord with statutory and good market practice and designed to encourage behaviour conducive to the interests of the Company and its shareholders and to enhance shareholder value.

The Board is aware of and supports the Financial Conduct Authority code of remuneration practice and its general requirement that remuneration policies must be consistent with effective risk management. It, therefore, requires REMCO to:

- a) exercise, and be constituted in a way that enables it to exercise independent judgement;
- b) be able to demonstrate that its decisions are consistent with a reasonable assessment of the firm's financial situation and future prospects;
- c) have the skills and experience to reach an independent judgement on the suitability of the policy, including its implications for risk and risk management; and
- d) be responsible for approving and periodically reviewing the remuneration policy and its adequacy and effectiveness.

The Committee notes that the Board has emphasised that members of the Committee have both collective and individual responsibilities. In this regard the Board reminds Committee members of their obligations as described in the Individual Accountability policy as appropriate to the knowledge and experience of each member of the Committee.

3. Membership

The Committee will be appointed by the Board and will be comprised of Non-Executive Directors and the majority will be independent of management and business and other relationships that could affect exercise of their independent judgement.

The Board will be responsible for appointing the Chairman and members of the Committee and for determining the length of time of those appointments.

The present membership of REMCO is as under:

Members:			
Joanne Hindle	Chairman	1 vote	Independent Non-Exec Director
Sheikh Abdullah Al-Sabah	Deputy Chairman	1 vote	Shareholder Non-Exec Director
Calum Thomson		1 vote	Independent Non-Exec Director
David Williams		1 vote	Independent Non Exec Director
Michael Williams		1 vote	Independent Non Exec Director

The Committee has the right to appoint an independent advisor and for the advisor to be present at any meeting.

4. Quorum

2 voting members of the Committee, one of whom should be independent, are required to constitute a quorum. In the event of a split vote, the casting vote rests with the Chairman.

5. Chair

The Chairman of the Committee will be the appointee of the Board and in his absence, the Deputy Chairman of the Committee will chair the meeting.

At the discretion of the Chairman, any other invitees, including advisors may attend all or part of any Committee meeting

6. Frequency of Meetings

The Committee will meet at least twice per year and at other times at the request of the Chairman.

7. Secretary and Minutes

The nomination of a secretary will be the responsibility of the Chairman.

Minutes of the proceedings and decisions of the Committee will be agreed and circulated promptly to members and to other recipients identified by the Chairman. Relevant matters may also be circulated to members of the Board providing there are no conflicts of interest.

Action points will be assigned to named individuals for resolution and will be reviewed and updated on a regular basis.

Approval of the minutes will be given at the commencement of the subsequent meeting of the Committee.

8. Escalation

Matters that are deemed to be outside the authorised responsibilities of the Committee will be submitted to the Board for consideration.

9. Powers and Responsibilities of the Committee

The Committee will work closely with the Board, Executive Directors, Head of Human Resources and any professional advisors that the Committee determine are necessary to assist with their responsibilities. Its duties will include the following:

- 9.1 Ensure the responsibilities and process of the Committee reflect and are conducted in accord with the latest principles of the code of conduct for remuneration committee practices as promulgated by the Financial Conduct Authority.
- 9.2 Decide and report to the Board on the framework for remuneration. REMCO will set remuneration for the Chairman and the Chief Executive Officer ('CEO'). It will approve the remuneration of Executive Directors on recommendation of the CEO and will monitor and review the performance and remuneration of other Senior Executive Management and directly oversee the remuneration of senior managers in the Risk and Compliance functions (being those who have a voting membership of either the Executive Committee or the Counterparty Credit Risk Committee) in order to ensure they are provided with appropriate incentives and represent a fair reward for their individual contributions to the success of the business.
- 9.3 Other Senior Executive Management comprises all Material Risk Takers, all direct reports to the CEO and all other highly paid staff, as defined by REMCO.
- 9.4 In determining such framework, take into account pay and conditions elsewhere in the market to ensure remuneration packages are competitive, but not excessive, wherever it operates and at a level that will enable the Company to attract, retain and motivate executive directors and executive management of the necessary calibre.
- 9.5 Ensure that all remuneration policies and practices are Sharia'a compliant and are reviewed regularly for appropriateness and relevance.
- 9.6 Within the terms of the agreed framework, and in consultation with and taking recommendations from the CEO, Chairman of the Board, Chairman of other Board Committees and any external advisors, determine the total remuneration package, including salary, pension, bonuses and benefits under any short or long term cash or equity incentive arrangements operated by the Company for the CEO, each Executive Director and such other Senior Executive Management of the Company as identified by the Committee or the Board.
- 9.7 Determine, with the necessary input from Risk Management and Compliance, the potential level of payments and performance measures for performance related pay schemes and other cash based incentive arrangements operated by the Company ensuring adequate measures to handle potential conflicts of interest.
- 9.8 Review and recommend the design of all new share or other incentive plans for approval by the Board and shareholders and ensure Committee involvement in and determination of the quantum of annual vesting entitlements against the approved measures for performance criteria.
- 9.9 Determine the policy and scope for the pension arrangements, contracts, service agreements, termination payments, compensation commitments and any other proposed contractual obligations for the Chairman, CEO and Material Risk Takers including any exercise of such arrangements.
- 9.10 Approve any amendments to the service contracts of the Chairman, CEO and Executive Directors.

- 9.11 Approve the policy for authorising claims for expenses from the Chairman, CEO and Executive Directors.
- 9.12 Oversee any major changes in employment benefit structures throughout the Company and annually note the remuneration trends across the Company in comparison with reliable up to date information in other companies in the financial sector.
- 9.13 Obtain any information from any employee or adviser of the Company it deems necessary to perform its duties.
- 9.14 Ensure that the disclosure of remuneration is in line with all relevant listing rules and other regulatory requirements.
- 9.15 Establish the selection criteria and make the appointment of any advisors to the Committee including their terms of reference and remuneration.
- 9.16 Report to the Board on its proceedings after every meeting on all matters within its powers and responsibilities.
- 9.17 Review and recommend the annual report for approval by the Board, of the Company's remuneration policy and practices to form part of the Annual Report which will be submitted to the Annual General Meeting for members' approval.
- 9.18 Review its own performance and terms of reference annually to ensure it is operating effectively and recommend any changes necessary to improve performance for Board approval.
- 9.19 The Chairman of the Committee will be represented at the Annual General Meeting to respond to shareholders questions on Committee activities and on the Remuneration Report.
- 9.20 Consider and make recommendations on any other remuneration issues as requested by the Board.
- 9.21 Ensure that the Committee's activities are in accordance with the Sharia'a as interpreted by the Sharia'a Supervisory Board.

In the exercise of such responsibilities, the Committee has agreed a timetable of Reports from the CEO, Chief Financial Officer and Head of Human resources (for those employees for which REMCO are responsible) in accordance with the following:

- An annual schedule of all salary changes approved by the CEO together with recommendations for those to be approved by the Committee
- Similarly, an annual schedule of all incentive awards allocations approved by the CEO together with recommendations for those to be approved by the Committee
- An annual schedule of policy changes and exceptions from policy for both the Remuneration Policy Statement (RPS) and HR policies and the Employee Handbook
- Annual review and preparation of the draft Annual Report remuneration sections for consideration by the Committee
- An annual review of the appropriateness of remuneration policy by the Head of Human Resources

Such other reports as the Committee deems necessary from time to time prepared by its independent advisors or management to assist it in establishing appropriate policies, remuneration schemes and in determining the appropriate level of rewards bearing in mind regulatory constraints, market practice, the Company's and the individual's performance, and the risks taken to generate performance.