



REMUNERATION & NOMINATION COMMITTEE ('REMCO') OF THE BOARD OF IPB INSURANCE

TERMS OF REFERENCE EFFECTIVE 1st DECEMBER 2016

Name	Approval	Description
Board	12/12/12	Terms of Reference v1
REMCO	27/03/14	Terms of Reference 2014 v2
Board	29/05/14	Terms of Reference 2014 Approved
Company Secretary	19/11/14	Terms of Reference 2015 v3
REMCO	26/11/14	Terms of Reference 2015 v3
Board	27/11/14	Terms of Reference 2015 Approved
REMCO	10/03/15	Terms of Reference 2015 v4
Board	26/03/15	Terms of Reference 2015 Approved
REMCO	15/03/16	Terms of Reference 2015 Approved
Board	31/03/16	Terms of Reference 2016 Approved
Board	31/05/16	Terms of Reference 2016 Approved
REMCO	16/11/16	Terms of Reference 2017 Approved
Board	01/12/16	Terms of Reference 2017 Approved

1. Purpose

- 1.1 The REMCO is a Sub-Committee of the Board of IPB Insurance with responsibility delegated to it for supporting the Board in meeting its oversight responsibilities for IPB Insurance's remuneration and nomination practices and the Board cannot abrogate responsibility for this delegated function.

2. Membership

- 2.1 The Board shall appoint REMCO Members on the Nomination Committee's recommendation with acknowledgement of the management of the potential for conflict via its responsibility for setting and revoking terms, generally with a duration of 3 years, with appointments subject to annual review and at the Board's absolute discretion via the annual Board and Committee Performance Evaluation Exercise. The Board shall appoint a Non-Executive Director or Independent Non-Executive Director as the Committee Chairman and the Chairman of the Board shall not be the Committee Chairman and in the Committee Chairman's absence, the Members shall elect a Non-Executive Director or Independent Non-Executive Director Member as an alternate Committee Chair for the duration of the Committee Chairman's absence.
- 2.2 Appointment shall not proceed if possible conflicts of interest of significance to the Committee's overall work may emerge and Members shall not participate in decision making or discussion if a reasonably perceived potential conflict of interest exists (to include a conflict which might arise in relation to a change in personal circumstances which is required to be declared to the Committee Chairman and the Board Chairman).
- 2.3 The REMCO shall comprise not less than 5 Members and a number sufficient to handle the nature, scale and complexity of the business of the Committee with the majority of its Members consisting of Independent Non-Executive Directors and all Members shall have relevant knowledge and understanding of remuneration and nomination matters.

3. Secretary

- 3.1 The Company Secretary or their duly appointed nominee shall act as Secretary.

4. Meetings

- 4.1 The Committee shall meet at least quarterly as apt and otherwise as required and the Committee Chairman shall convene a Meeting on any Member's request, subject to satisfaction of the quorum of 3 Members for transacting business with decisions by majority vote with the Committee Chairman or their alternate having the casting vote with all Members eligible to vote unless a reasonably perceived conflict exists in which case conflicted Members shall not participate in decisions or discussion. Members shall attend each Meeting in person and participate via videoconference or teleconference or confirmation of approval via email or nomination of a proxy permissible on absence owing to work commitments or circumstances beyond control (for example, in illness) and participation and eligibility to vote evidenced in Minutes.
- 4.2 The CEO, CFO, CCO and Head of Human Resources shall be invited to attend at Committee Meetings as required and the Committee Chair and Members, in consultation with the Chair, may invite any IPB Insurance officer or employee, external advisor or others to attend all or part of Meetings, as apt whilst the Committee Chair and Members shall have access to the Board Chair, Board and management as required.

- 4.3 Committee Meetings Minutes shall be circulated to all Members for approval within 5 working days of each Meeting and finalised Minutes shall issue in advance of Board Meetings upon the Committee Chairman's approval.

5. Resources

- 5.1 The Company Secretary shall provide an induction programme for new Committee Members, covering the Committee's role and the time commitments expected of them.
- 5.2 The Committee shall give consideration to relevant laws and regulations in undertaking its duties with requisite resources and advice and remuneration and nomination practices principles and developments training accessible via the Company Secretary.

6. Role and Responsibilities

- 6.1 Board Succession Planning: Support selection and recommend for Board approval the appointment and all aspects of Directors' roles including the Board Chair, Deputy Chair, Board Sub-Committee Chairs, Committee Members and the Company Secretary whilst noting the responsibility of the Audit Committee per its Terms of Reference in terms of appointing an Independent Non-Executive Director as Committee Chairman for recommendation for approval by the Nomination Committee and Board in recognition of their regulatory responsibilities per the Corporate Governance Requirements for Insurance Undertakings 2015 and fitness and probity process management. Oversee Board succession planning (and develop and monitor application of IPB Insurance's written Board appointments diversity policy) by monitoring the appropriateness of Board Members for the role with consideration given to changing the membership of the Board if on-going conflicts of interest arise. Make recommendations for Board approval per existing skills and expertise and contribution and challenge and current and envisaged future business demands. Ensure preparation of comprehensive role profiles for Board appointments, acknowledging existing Board skills and expertise and identifying anticipated time commitments and make recommendations regarding the Company Secretary role to ensure skills or resources necessary to discharge statutory and other duties. Make recommendations in respect of Executive Director and Non-Executive Director appointments, re-appointments and re-elections to the Board and Members as apt. Manage the annual process of election or re-appointment of the Board Chairman who shall where possible be an Independent Non-Executive Director or a Non-Executive Director with agreement of the Central Bank of Ireland ('CBI') and Deputy Chairman who shall be an Independent Non-Executive Director or a Non-Executive Director as apt with annual proposals to the Board for election, re-election or re-appointment as apt.
- 6.2 Board Performance Evaluation: undertake an annual written review of the overall performance of the Board, its Sub-Committees and individual Directors, relative to the Board's objectives and strategy and per corporate governance requirements.
- 6.3 Board Training: arrange provision of adequate induction training about IPB Insurance's operations and performance as apt and ensure provision of adequate on-going training to Board Members with routine updates as necessary to facilitate informed decisions.
- 6.4 Internal Governance and Controls: document internal systems to include structures, internal committees, organisational reporting channels, authorities and signatories for Board recommendation to ensure no one person has unfettered control. Support selection and approve appointment for Board noting, subject to 6.1 above, of individuals who may have a material impact on IPB Insurance's risk profile defined as those who are or will be performing roles categorised as PCF, CF1 and/or with a basic salary of €100,000 or more by ensuring preparation of comprehensive job descriptions and ensuring apt integrity and adequate knowledge, experience, skill and competence in the appointment process and monitoring appropriateness on an on-going basis to

include overseeing succession planning and training arrangements, approving recommended changes in roles or remuneration and noting any resignations.

- 6.5 Fitness and Probity: monitor conduct by the Head of HR, CCO and Company Secretary of processes to ensure fitness and probity of Board Members and all CF or PCF roles and ensure CBI reporting within 5 working days of any Board decision to remove the head of a Control Function with clear articulation of the underlying rationale and avoidance of agreements purporting to preclude or dis-incentivise information provision to the CBI.
- 6.6 Remuneration Policy: establish remuneration policies and procedures per best practice, regulatory requirements, risk appetite and IPB Insurance's mutual status, ensuring remuneration practice alignment with stakeholders' interests and consistency with a reasonable assessment of IPB Insurance's financial situation and prospects and with an objective of incentivising management as apt to encourage enhanced performance and fairly and responsibly reward individual contributions to IPB Insurance's success, ensuring excessive risk taking isn't promoted and the remuneration framework is in line with IPB Insurance's risk strategy and risk appetite and annually review and approve the Remuneration Policy and compliance with it for recommendation for Board approval.
- 6.7 Remuneration Framework and Individual Remuneration Packages: per the Remuneration Policy and in consultation with relevant parties, agree base pay benchmark setting and benefits packages and the position particular to the Board Chairman and determine the total individual package of Executive Directors and the Company Secretary and individuals who may materially impact IPB Insurance's risk profile as defined at S6.4 hereof and as required determine policy and process for and scope of pension, service, termination, annual and ad hoc arrangements regarding Executive Directors and individuals who may materially impact the risk profile. The Board Chairman and Executive Directors, per the Remuneration Policy and in consultation with relevant parties, shall fix Non-Executive Directors' remuneration and no individual shall participate in decisions on their own remuneration.
- 6.8 The Committee shall undertake any other related duties as directed by the Board.

7. Committee Effectiveness

- 7.1 The Committee shall undertake a documented review of its overall performance and effectiveness and the appropriateness of its Terms of Reference at least annually, and per IPB Insurance's policies and procedures with queries at any time on interpretation or requirements for prior approval by the REMCO or the Board to be addressed collectively to the CEO, CCO and Company Secretary prior to taking action, with recommendations provided to the Board on revisions identified via review. Revised Terms of Reference shall be circulated to management for adherence and published on the IPB Insurance website following Committee and Board approval.

8. Reporting Procedures

- 8.1 The Committee shall operate in a manner consistent with ensuring its independence and commensurate with the reporting of its activities and decisions to the Board. The Committee Chairman shall report to the Board on proceedings which are particular to all matters within its duties and responsibilities and the Committee shall make whatever recommendations to the Board that it deems to be apt in respect of any area within its remit where it deems any action or improvement to be needed.
- 8.2 The Committee shall produce an annual Board report on its activities and responsibilities and the manner in which it discharged its duties since the previous period for inclusion in IPB Insurance's Stakeholder and Annual Report and the Committee Chairman shall be available to answer questions on Committee activities at General Meetings.