

**BRITISH INTERNATIONAL INVESTMENT PLC (“BII”, THE “COMPANY”)**

**TERMS OF REFERENCE OF THE PEOPLE DEVELOPMENT AND  
REMUNERATION COMMITTEE OF THE BOARD**

**(1) NAME**

People Development and Remuneration Committee (“Committee”).

**(2) MEMBERSHIP**

- (a) The Committee will consist of no less than three non-executive directors (“Members”) appointed by the Board all of whom shall be independent and of whom one shall also be a member of the Risk Committee. The Chair of the Board may also serve as an additional member.
- (b) Appointments to the Committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as Members continue to be independent.
- (c) The Board shall appoint the chair of the Committee (“PremCo Chair”) who shall be an independent non-executive director. The PremCo Chair shall have at least 12 months’ experience sitting on a remuneration committee.

Should the PremCo Chair be absent for a meeting, the Board shall appoint a temporary Chair for the Committee.

**(3) QUORUM**

Two Members will constitute a quorum for the transaction of business.

**(4) SECRETARY**

The secretary of the Committee shall be BII’s Company Secretary (“Secretary”) or their nominee.

**(5) VOTING**

Resolutions and other decisions are approved by the Committee if a majority of the members voting (in person or by proxy) vote in favour. In the event of there being no clear majority, the PremCo Chair has a casting vote. Only Committee members are entitled to vote.

**(6) RESOLUTIONS IN WRITING**

For resolutions outside a meeting, a resolution in writing signed by all the Members entitled to receive notice of a meeting shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened.

**(7) FREQUENCY AND NOTICE OF MEETINGS**

- (a) Meetings of the Committee shall be held as required, to permit timely decision-making in line with the annual remuneration and reporting cycle, but not less than two times each year.
- (b) The Secretary shall give notice of meetings to the Members and the Chief Executive Officer and attendees. The Notice of Meeting will be accompanied by an agenda and relevant supporting papers and be sent to Members before each meeting.

**(8) ATTENDANCE AT MEETINGS OF THE COMMITTEE**

- (a) Only Members and the Secretary shall be entitled to attend meetings of the Committee.
- (b) No executive director or the Chair of the Board may be present or vote when their own remuneration is being considered. Any more general discussions on the remuneration framework or its constituent elements should include relevant executive directors as agreed with the PremCo Chair (although the PremCo Chair reserves the right at all times for private discussions with non-executive directors only). No individual shall be involved in deciding their own remuneration.
- (c) Any other person may attend with agreement of the PremCo Chair. The Secretary shall maintain a list, which shall be reviewed and agreed from time to time, of the staff who may be required to attend all or part of meetings.
- (d) The Committee shall maintain an open door policy allowing all employees of the Company to bring any matters relevant to the Committee's work to the attention of the Committee and the PremCo Chair.

**(9) AUTHORITY**

The Committee is authorised by the Board:

- (a) to investigate any matters relevant to the fulfilment of its duties
- (b) to seek any information it requires from any employee of the Company and any subsidiary of the Company and all such employees are directed to co-operate with any such request made by the Committee
- (c) to obtain external legal or other independent professional advice and to secure the attendance of external advisors at its meetings (if it considers this necessary).

## **(10) GUIDING PRINCIPLES**

The Committee shall be guided in all its decisions by:

- (a) the purpose of enabling the recruitment, retention and development of individuals of the calibre that will allow BII to achieve its mission – to achieve impressive developmental impact in challenging places through targeted, high quality investing skills and deep impact expertise
- (b) a clear understanding of the needs of the shareholder and other key stakeholders of BII
- (c) the goal of building a team at BII that encapsulates and is inspired by the BII values:
  - *Impact-led, commercially rigorous*
  - *Tenacious in the face of challenges*
  - *Collaborative and caring*

## **(11) DUTIES**

In order to ensure the recruitment, retention and development of a high calibre of employees throughout the Company, the duties of the Committee shall be to:

- (a) review and approve the Company's strategy for training and development of the Executive Committee and other employees
- (b) review staff recruitment and retention data and strategies for enhancing recruitment and retention, including consideration of current and potential future workforce skills gaps
- (c) review diversity and inclusion data, including externally published reports in relation to gender and ethnicity pay gaps, and data on employee engagement and wellbeing
- (d) review and advise on the approaches, including communications, taken by the Company to reinforce a culture at BII that will motivate employees in ways that go beyond financial remuneration
- (e) review and approve the approach taken to individual performance and in particular the setting of clear goals and effective feedback on achievement, together with approaches to underperformance
- (f) recommend to the Board an approach to Executive Committee succession.

The Committee shall ensure that clear and transparent compensation policies that are consistent with achieving BII's mission are implemented, including that it shall:

- A. determine and agree with the shareholder, on behalf of the Board, the Remuneration Framework for the Company, as may be amended from time to time
- B. ensure on behalf of the Board the Company's policy on remuneration and specific remuneration packages for each of the following are in line with the Remuneration Framework then in effect:
  - (i) Chair of the Board
  - (ii) Chief Executive Officer, in response to a recommendation made by the Chair
  - (iii) the executive directors (whose membership shall be those roles defined as Executive Committee or as may change from time to time and will include the Company Secretary) in response to recommendations made by the Chief Executive Officer; and
  - (iv) such other members of the executive management of the Company as it shall be designated by the Board to consider.
- C. review, on behalf of the Board, remuneration and related policies of other employees of the Company and the alignment of incentives and rewards with the Company's culture, taking these into account when setting the policy for the executive director remuneration.
- D. with the help of information provided from external sources and in respect of executive directors and within the parameters of the Remuneration Framework agreed with the shareholder:
  - (i) satisfy itself that remuneration is set at a level that allows for the recruitment and retention of high calibre individuals to deliver the Company's mission without paying more than is necessary;
  - (ii) ensure an appropriate mix of fixed and variable elements of remuneration;
  - (iii) ensure that overall remuneration packages encourage long term commitment as well as reflecting seniority and promoting career development;
  - (iv) ensure that performance criteria used under any incentive arrangements, whether short or long term, are challenging and, wherever possible, reflect the developmental, financial and corporate goals of BII;

- (v) satisfy itself that reward and incentive schemes align with Company culture and drive behaviours consistent with Company purpose, values and strategy.
- E. oversee that remuneration is being executed in line with the Remuneration Framework agreed with the shareholder and provide assurance to the shareholder as prescribed by the Remuneration Framework. Make recommendations from time to time (but especially following the triennial Benchmarking review) to the shareholder on improvements to the Remuneration Framework (only if deemed necessary) bearing in mind the requirements of clause C above and:
  - (i) BII's compensation when benchmarked against its DFI peers through the triennial Benchmarking review, as determined in the Remuneration Framework;
  - (ii) the need to ensure that compensation policies are clear and transparent; and
  - (iii) that all rewards should be reviewed in the context of the Company's overall performance and the Committee should make recommendations to the shareholder and BII for adjustments to the Remuneration Framework if inconsistencies between rewards and performance are felt to be detrimental to BII or its reputation.
- F. oversee performance management processes, and in particular recommendations from ExCo and HR on promotions and progressions to ensure that they are promoting the Guiding Principles above and are coordinated with the Company's budgeting process (for the avoidance of doubt, this oversight will concentrate on consistency with the Guiding Principles and will not approve individual cases) to ensure that (i) management have demonstrated a robust process; (ii) costs are within budget; and (iii) the overall shape of the organisation is not adversely impacted by the proposed changes.
- G. arrange for periodic reviews of its own performance and, at least annually, review its 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.

## **(12) REPORTING**

- (a) The Secretary shall circulate copies of the minutes of meetings of the Committee to all directors, unless inappropriate to do so, following the preliminary approval of such minutes by the PremCo Chair; formal approval of such minutes shall be sought at the next meeting of the Committee.

- (b) The PremCo Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- (c) The Committee shall ensure that it produces a report on the Company's remuneration policy and practices to be included in the Company's annual report. If the Committee has appointed remuneration consultants, the annual report should identify the consultants and state whether they have any connection with the Company or individual directors.
- (d) Through the Chair of the Board, ensure that the Company maintains contact as required with its principal shareholder about remuneration.
- (e) The Committee shall engage with the workforce each year in order to explain how executive remuneration aligns with the wider Company pay policy.
- (f) The PremCo Chair may report on decisions of, or matters coming before, the Committee to any other person or body the Committee considers appropriate.

**(13) OTHER MATTERS**

The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required.

The Committee shall 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.

These terms of reference were adopted by the Committee on 8 April 2022.