

Dated October 2025

HIS MAJESTY'S TREASURY

RECLAIM FUND LTD

**FRAMEWORK DOCUMENT
RELATING TO RECLAIM
FUND LTD**

1. Introduction and Background

1.1. Purpose of this Framework Document

This framework document (the “**Framework Document**”) has been agreed between His Majesty’s Treasury (“**HM Treasury**” or the “**Shareholder**”), UK Government Investments (“**UKGI**” or the “**Shareholder Representative**”) and Reclaim Fund Ltd¹ (“**RFL**”) and has been approved by the Shareholder in accordance with HM Treasury’s handbook *Managing Public Money* (as updated from time to time) (“**MPM**”).

This Framework Document sets out the broad governance framework within which RFL, the Shareholder, UK Government Investments (the “**Shareholder Representative**”) and the Department for Culture, Media and Sport (“**DCMS**”), in its joint policy role with the Shareholder, operate. It does not convey any legal powers or responsibilities.

This Framework Document:

- sets out RFL’s core responsibilities;
- describes the governance and accountability framework that applies between the roles of the Shareholder, RFL, the Shareholder Representative and DCMS; and
- sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters, considering the framework established in the Articles of Association of RFL (the “**Articles**”) and other governance documentation.

Copies of the document and any subsequent amendments will be placed in the Libraries of both Houses of Parliament and made available to members of the public on GOV.UK and www.reclaimfund.co.uk.

1.2. Common Objectives

The Shareholder and RFL share the common objective of delivering the operational activities related to the receipt and management of dormant assets, in line with the policy aims of His Majesty’s Government, as permitted by the Dormant Bank and Building Society Accounts Act 2008 (the “**2008 Act**”) and the Dormant Assets Act 2022 which expanded the scheme to new asset classes (the “**2022 Act**”, and together with the 2008 Act, the “**Acts**”) and the Articles. To achieve this, RFL and the Shareholder will work together and with the Shareholder Representative and DCMS (recognising each other’s roles and areas of expertise), to provide an effective environment for RFL to achieve these objectives through the promotion of partnership and trust.

1.3. RFL’s Classification, Ownership and Status

RFL is a company limited by shares, the sole shareholder of which is the Solicitor for the Affairs of the Shareholder in its capacity as nominee for the Shareholder.

RFL was incorporated in 2010 pursuant to the 2008 Act as a wholly owned subsidiary of Angel Square Investments Limited (“**ASIL**”) (formerly known as Co-operative Financial Services Limited and subsequently Co-operative Banking Group Limited) within the Co-operative Group.

In September 2019, the Office for National Statistics (“**ONS**”) informed the Government of its decision to

¹ References to RFL include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes. If RFL establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and RFL agreed with the Shareholder.

classify RFL to the central Government subsector, effective retrospectively to RFL's establishment in 2010. As a result of the ONS classification, RFL was included in the Government Resources and Accounts Act 2000 (Estimates and Accounts) Amendment Order 2020 and became part of the budgetary regime, being consolidated in HMT's accounts and classified as a Non-Departmental Public Body ("**NDPB**"). The shares in RFL were transferred by ASIL to the Shareholder on 30 March 2021.

As a NDPB, RFL is a body which has a role in the processes of national Government but is not a Government department or part of one and accordingly operates at arm's length from Ministers. In the case of RFL, it was agreed by the Shareholder that it was important for RFL to operate independently from Government so as to ensure the continued success of the scheme.

Neither the Shareholder nor the Shareholder Representative has any involvement in the day-to-day operations of RFL, save in respect of appointments as set out below in section 3.1.2 below. While the board of directors of RFL (the "**Board**") is solely responsible, subject to the Articles and the 2008 Act, for the management of RFL, and retains full operational oversight and control of RFL, it reports to the Shareholder in relation to the performance of RFL against mutually agreed objectives and is required to seek consent for certain matters as set out in this Framework Document.

RFL is authorised and regulated by the Financial Conduct Authority ("**FCA**") and, where the context so requires, any successor authority or authorities) as a dormant account fund operator. Accordingly, the parties acknowledge that:

- RFL's activities (and those of its directors, senior managers, employees and other staff) are subject to regulation by the FCA and/or other Applicable Law or Regulation²;
- nothing in this Framework Document or otherwise contemplated between the parties is intended, or shall be deemed, to require RFL or any of its directors, senior managers, employees or other staff to take any action or refrain from taking any action to the extent that this may be contrary to, or inconsistent with, any regulatory requirements, duties to, or expectations of, the FCA and/or any other Applicable Law or Regulation; and
- if there is any conflict between the Framework Document and any requirements or expectations of the FCA and/or other Applicable Law or Regulation, the relevant requirements or expectations of the FCA and/or such other Applicable Law or Regulation shall prevail.

2. Activity and Objectives of RFL

2.1. Principal activity and background

The principal activities of RFL are the receipt and management of dormant assets, the meeting of reclaims, and the distribution of surplus monies to good causes. These activities are pursuant to relevant legislation and subject to RFL's authorisation and regulation by the FCA to act as a reclaim fund.

The Dormant Bank and Building Society Accounts Act 2008 ("**2008 Act**") and the Dormant Assets Act 2022 ("**2022 Act**") together enable eligible institutions in banking, insurance and pensions, investment and wealth management, and securities sectors to choose to participate in the Dormant Assets Scheme.

Participants can transfer money held in eligible dormant assets to RFL, such as bank and building society accounts which have seen no customer-initiated transactions for 15 years. Legislation defines dormancy

² For the purposes of this Framework Document, "Applicable Law and Regulation" shall mean all applicable laws, enactments, regulations, regulatory policies, regulatory permits, regulatory licenses or associated guidance, industry codes or principles which are in force from time to time.

periods for each asset class, and protects dormant asset owners' rights to reclaim their money at any time by transferring the participant's liability for the asset to RFL.

RFL reserves a proportion of its funds to meet anticipated reclaims and to cover its expenses and capital requirements, with the remainder then released for social and environmental initiatives across the UK.

Under the 'Main Scheme', surplus funds are distributed to The National Lottery Community Fund ("TNLCF") and then onwards to social and environmental initiatives across the UK. Under the 'Alternative Scheme', a smaller bank or building society can choose to transfer an agreed proportion of a dormant account balance to RFL and the remaining portion to one or more eligible charities of the participant's choice.

2.2. Objectives

Pursuant to the objectives of the Acts and the policy on dormant assets as developed by the Shareholder and DCMS, the objectives of RFL are to meet repayment claims from dormant assets and to enable money from dormant assets to be distributed for the benefit of the community in accordance with the relevant legislation by operating as a reclaim fund within the meaning of section 5(1) of the 2008 Act (together being the "**Objectives**").

3. Governance and Accountability

RFL shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this Framework Document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.

In particular (but without limitation), RFL should seek to:

- a) comply with the principles and provisions of the Financial Reporting Council's UK Corporate Governance Code (the "**Code**") (as amended and updated from time to time) to the extent appropriate to RFL or specify and explain any non-compliance in its annual report;
- b) comply, with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice to the extent appropriate to RFL;
- c) comply with MPM;
- d) in line with MPM have regard to the relevant Functional Standards as appropriate and in particular those concerning Finance, Commercial and Counter Fraud; and
- e) take into account, as far as practicable, the codes of good practice and guidance set out in **Appendix 1** of this Framework Document, as they apply to arms' length bodies.

RFL shall provide an account of corporate governance in its annual Governance Statement including the Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that RFL does intend to materially depart from the Code, the Shareholder and Shareholder Representative should be notified in advance.

3.1. The role of the Department as Shareholder

3.1.1. Ministerial Responsibility

The Chancellor of the Exchequer will account for the activities of RFL in Parliament. Responsibility may be delegated to another HM Treasury Minister. At the time of publication this is the Economic Secretary to the Treasury.

3.1.2. Board Appointments

The Shareholder shall have the following appointment and approval rights in relation to RFL's Board, any such appointments to be subject to applicable regulatory requirements and approvals:

- the Shareholder will appoint the Chair subject to reasonable prior consultation with RFL's Nomination Committee and the Board. It is intended that this appointment will be made in accordance with the principles of the Governance Code for Public Appointments;
- the Shareholder will nominate a senior employee of the Shareholder Representative as a Non-Executive Director on RFL's Board (the "**Shareholder Director**");
- the Shareholder will approve the appointment of the Chief Executive Officer ("**CEO**") on approval by the Board and on the advice of the Nominations Committee. The selection process must be fair and open and the request to the Shareholder for approval of the final appointment should be accompanied by an explanation in writing as to why such appointment is recommended by the Board. This process also applies to proposals to appoint an interim CEO; and
- the Shareholder will approve the appointment of other non-executive Directors ("**NEDs**") on approval by the Board and on the advice of the Nominations Committee. The selection process must be fair and open and the request to the Shareholder for approval of the final appointment should be accompanied by an explanation in writing as to why such appointment is recommended by the Board. This process also applies to proposals to re-appoint existing NEDs.

In each case, the Board will give legal effect to the appointment.

3.1.3. Other Shareholder reserved matters

The Shareholder is answerable to Parliament for all matters concerning RFL. In addition, the Shareholder will review and, if in agreement, give prior written approval to the following "**Shareholder Reserved Matters**":

- the Operating Plan (as defined in section 3.15 below) (following development and updating by the Board, the Shareholder will review and approve this annually);
- any changes to the approved capital structure and to the financial framework (as set out in section 4 below);
- any changes to the remuneration policy as set out in section 9 below;
- the appointment of any external auditor; and
- acquisitions, disposals and joint ventures of a value greater than 15% of RFL's net assets at the relevant time.

At the reasonable request of the Shareholder, the Directors shall:

- meet the Shareholder or its representatives to discuss the affairs of RFL; and
- provide such information in relation to the affairs of RFL as the Shareholder may reasonably require for the purpose of carrying out its role as shareholder.

The Shareholder is committed to giving the Board the freedom to operate RFL in line with the spirit of this Framework Document. Decisions on the day-to-day management of RFL will be taken by the Board in accordance with their statutory, regulatory, common law and fiduciary duties.

3.2. The Shareholder's specific accountabilities and responsibilities as principal accounting officer

The Permanent Secretary of the Shareholder is the principal accounting officer ("**PAO**") for the activities of RFL and is accountable to Parliament for the issue of any grant-in-aid to RFL.

The PAO designates the Chief Executive of RFL as the accounting officer ("**AO**") and ensures that he or she is fully aware of his or her responsibilities. The PAO issues a letter appointing the accounting officer, setting out his or her responsibilities and delegated authorities. Whilst the CEO will typically be the AO, if deemed appropriate, the PAO may designate another employee of RFL as AO.

The general responsibilities of a departmental PAO are set out in chapter 3 of MPM. The PAO is responsible for advising the responsible Minister on:

- an appropriate framework of objectives and targets for RFL in the light of its Objectives and the Operating Plan; and
- how well RFL is achieving its objectives and whether it is delivering value for money ("**Vfm**").

The PAO is also responsible for ensuring arrangements are in place in order to:

- monitor the performance of RFL's activities against the delivery of the Operating Plan;
- address significant problems in RFL;
- periodically carry out an assessment of the risks both to the Shareholder and RFL's objectives and activities;
- inform RFL of relevant Government policy in a timely manner; and
- bring concerns about the activities of RFL to its full Board requiring explanations and assurances that appropriate action has taken place.

3.3. The role of the Shareholder Representative

The Shareholder Representative is responsible for discharging the responsibilities of the Shareholder and will seek regular input from the Shareholder.

The Shareholder Representative shall:

- establish and maintain appropriate and effective corporate governance foundations which govern the Shareholder, Shareholder Representative and RFL's relationship;
- promote effective objectives, business planning and performance against the Operating Plan;
- promote the organisational capability of RFL to deliver against the Operating Plan;
- promote effective leadership (high quality boards and senior management);
- promote effective relationships between the Shareholder, Shareholder Representative and RFL; and

- support and supplement the activities outlined above by providing an experienced Non- Executive Director on the Board of RFL.

The Shareholder Representative will be the primary point of contact between the Shareholder and RFL. They are the main source of advice to the responsible minister and PAO on the discharge of their responsibilities in respect of RFL. Therefore, RFL should engage with the Shareholder Representative as the initial point of contact between RFL and the Shareholder.

3.4. The Joint Policy role of the Shareholder and DCMS

The Shareholder also has a joint policy role with DCMS for the Dormant Assets Scheme.

To ensure that RFL does not receive conflicting policy communications, the Shareholder and DCMS will work together to ensure clarity and consistency in respect of dormant assets policy in a way that preserves the agreed operational freedoms for RFL and recognises the Shareholder Representative's role as the Shareholder Representative.

As part of their joint policy role, the Shareholder and DCMS responsibilities will include:

- agreeing annual policy objectives for the Dormant Assets Scheme;
- advising RFL, the Shareholder Representative, and each other, on relevant policy and guidance in a timely manner, including advising on the annual policy objectives for the Dormant Assets Scheme in relation to RFL's Operating Plan and objectives;
- advising the Shareholder and DCMS Ministers on RFL's progress against agreed policy objectives; and
- engaging closely with RFL on wider policy developments and cross-Government priorities impacting on, or affected by, the work of RFL (including, if appropriate, the issuance of guidance).

The Shareholder Representative has no role in policy. DCMS has no role in governance or oversight of RFL. The clear separation of the shareholder function from the policy function ensures clarity and transparency in decision making as between shareholder and policy.

For the avoidance of doubt RFL's responsibilities under this Framework Document are to the Shareholder alone, and not, for instance, to individual departments across Government.

3.5. Resolution of disputes between RFL and the Department as Shareholder

Any disputes between the Shareholder and RFL will be resolved in as timely a manner as possible. The Shareholder and RFL will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the senior sponsor, will be used to resolve the issue. Failing this, the senior sponsor will ask the relevant policy Director General to oversee the dispute. They may then choose to ask the Permanent Secretary to nominate a non-executive member of the department's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the responsible Minister.

3.6. Freedom of Information requests

Where a request for information is received by either RFL or the Shareholder under (i) the Freedom of Information Act 2000, or (ii) the Data Protection Act 1998 or (iii) the Data Protection Act 2018, the party receiving the request (the **"Receiving Party"**) will consult with the other party (the **"Other Party"**) prior to any disclosure of information that may affect the Other Party's responsibilities. In the event that the

Receiving Party is RFL, RFL shall also liaise with the Shareholder Representative and DCMS in respect of the request for information to the extent that the Shareholder requests that RFL does so.

3.7. Information Flows

RFL will provide the Shareholder, the Shareholder Representative and DCMS with its quarterly (or more frequent if produced) Reporting Pack in such form as is approved by the Board.

In addition, and to help the Shareholder Representative in fulfilling its function, RFL shall provide such relevant information as the Shareholder Representative may reasonably request including on, but not limited to, its operational business plans, financial forecasts and budgets, financial performance, achievements against targets, capital expenditure and investment decisions, governance matters including Board appointments and remuneration, and reports on key corporate risks.

Where the Shareholder Director receives information:

- in his or her capacity as the Shareholder Director he or she shall be authorised (but not required) to share this information with the Shareholder, the Shareholder Representative and DCMS (subject to taking appropriate steps to safeguard the confidentiality of such information, to the extent that it is confidential), but without prejudice to his or her duties as a RFL NED; or
- other than in his or her capacity as the Shareholder Director and where that information is subject to a duty of confidentiality, he or she shall not be obliged to disclose the information to RFL. Where the Shareholder Director receives such information in such capacity, in circumstances where the knowledge or receipt of such information could reasonably be expected to affect his or her ability to comply with his or her duties as a RFL NED, the Shareholder Director agrees to notify the Board as soon as practicable and to take appropriate steps, including but not limited to agreeing to recuse him or herself from relevant decision-making processes.

3.8. Meetings

The following meetings will take place (in person or virtually) to ensure appropriate information flows between RFL and the Shareholder on policy, performance and governance:

- the Minister will meet at least once a year with the Chair and Chief Executive of RFL. The Minister will require further meetings as reasonably necessary;
- the PAO will meet with the AO of RFL at least once a year, or more frequently as necessary if agreed between the parties;
- the Shareholder and DCMS (the joint policy owners) will meet with senior RFL representatives (including the Chair and CEO) in the third quarter of the financial year to discuss strategy to inform the development of the Operating Plan. The Shareholder Representative will attend;
- the Shareholder Representative and senior RFL representatives (including the Chair and, CEO) will meet on a quarterly basis to discuss governance, financial and delivery performance and other relevant matters. The Shareholder and DCMS will attend; and
- the Shareholder Representative will meet with the CEO monthly or as required to discuss performance and governance issues, and with other representatives of RFL as required.

3.9. The role of RFL's CEO as the AO

The PAO has designated RFL's chief executive officer ("CEO") as RFL's AO and, as such, the CEO is personally responsible for safeguarding the public funds held by RFL in accordance with the principles of

regularity, propriety, VfM and feasibility set out in MPM.

A full outline of the responsibilities of the AO can be found in the letter of appointment set out in **Appendix 2** (the “**AO Letter**”).

As set out in the AO Letter, the CEO will ensure that RFL is run following the principles, rules, guidance and advice set out in MPM and the supporting guidance on spending controls produced by the Cabinet Office, other than where alternative arrangements are detailed in this Framework Document or have otherwise been agreed between Government and RFL.

3.9.1. Responsibilities for accounting to Parliament

The responsibilities of RFL’s AO include:

- signing RFL’s accounts and ensuring that proper records are kept relating to the accounts and that such accounts are properly prepared and presented in accordance with any directions issued by the Economic Secretary to the Treasury;
- preparing and signing RFL’s Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in RFL’s annual report and accounts;
- ensuring that effective procedures for handling complaints about RFL are established and made widely known within RFL;
- acting in accordance with the terms of this Framework Document, MPM and other instructions and guidance issued from time to time by the Shareholder and the Cabinet Office to the extent that they apply to RFL;
- ensuring that RFL has appropriate internal mechanisms for monitoring, governance and external reporting; and
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on RFL’s stewardship of public funds.

3.9.2. Responsibilities to the Shareholder and the Shareholder Representative

The AO’s responsibilities to the Shareholder and Shareholder Representative include:

- establishing with the Board (subject to the approval of the Shareholder under 3.1.3 above), RFL’s Operating Plan;
- informing the Shareholder and Shareholder Representative of progress in achieving the Objectives as appropriate and in demonstrating how resources are being used to achieve those objectives; and
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Shareholder Representative; that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Shareholder Representative in a timely fashion.

3.9.3. Responsibilities to the Board

The AO is responsible for:

- advising the Board on the discharge of RFL’s responsibilities as set out in this Framework

Document, in any relevant instructions and guidance that may be issued from time to time;

- advising the Board on RFL's performance compared with its aims and objectives as set out in the Operating Plan;
- ensuring that financial considerations are taken fully into account by RFL's Board at all stages in reaching and executing its decisions, and that appropriate financial appraisal techniques are followed.

3.9.4.Managing conflicts

The Chief Executive should follow the advice and direction of the Board, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so.

RFL's AO must take care that their personal legal responsibilities do not conflict with their duties as a Board member. In particular, the AO should vote against any proposal which appears to cause such a conflict; it is not sufficient to abstain.

If the Chair or Board of RFL is minded to instruct its AO to carry out a course inconsistent with their duties as AO, then the AO should make their reservations clear, preferably in writing. If the Board is still minded to proceed, RFL AO should then:

- ask the PAO of the shareholder department to consider intervening to resolve the difference of view, preferably in writing;
- if the Board's decision stands, seek its written direction to carry it out and inform the Shareholder;
- proceed to implement without delay; and
- follow the routine in paragraph 3.6.6 of MPM

3.10. The role of the Board

The role of the Board shall be to run RFL, and to deliver the Objectives, in accordance with their statutory, regulatory, common law and fiduciary duties and their responsibilities under this Framework Document. Detailed responsibilities of the Board shall be set out in the RFL Board terms of reference (as approved by the Board from time to time) and shall include the following:

- developing, updating and approving the Operating Plan and budget;
- providing effective leadership of RFL within a framework of prudent and effective controls which enables risk to be assessed and managed;
- ensuring the financial and human resources are in place for RFL to meet the Objectives;
- ensuring that the Board receives and reviews regular management and financial information concerning the management of RFL, and is informed in a timely manner about any concerns about the activities of RFL;
- reviewing management performance;
- ensuring that the Shareholder is kept informed of any changes which are likely to impact on the strategic direction of RFL or on the attainability of the Objectives, and determining the steps needed to deal with such changes;
- demonstrating high standards of corporate governance at all times, including by using RFL's audit

and risk committee to help the Board to address key financial and other risks;

- ensuring that any statutory or administrative requirements for the use of public funds are complied with and that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Shareholder and in accordance with any other conditions relating to the use of public funds. RFL's financial delegations from the Shareholder are set out in the delegations letter (the **"Delegations Letter"**) from the Shareholder;
- if required, co-operating fully with the requests of all relevant Parliamentary committees for scrutiny, requests from the Parliamentary Commissioner for Administration and otherwise to assist the Shareholder and the Shareholder Representative in answering questions about RFL; and
- determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by RFL of the Objectives.

3.11. The role of the Chair

The Chair is responsible for leading the Board in the delivery of its responsibilities.

The Chair should lead the Board in providing support and challenge to RFL's CEO and the executive team as set out in the Chair's letter issued to them by the Shareholder Representative.

In addition, the Chair has the following leadership responsibilities:

- leading the Board in scrutinising and challenging the Operating Plan formulated by the executive of RFL, subject to the Objectives;
- promoting the efficient and effective use of staff and other resources; and
- ensuring high standards of regularity and propriety.

The Chair has an obligation to ensure that:

- the Board has a balance of skills and diversity which is appropriate to directing RFL's business;
- the Chair, together with the other Board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities and that the Chair assesses the performance of individual Board members regularly and when being considered for re-appointment;
- there are regular internal and external reviews of Board performance and composition, with an externally facilitated Board evaluation at least every three years; and
- the Shareholder is advised as appropriate, via the Shareholder Representative, of RFL's needs when Board vacancies arise. The Chair will discuss Board composition, external board review and succession plans with the Shareholder Representative from time to time and agree any actions at least annually.

Engagement between RFL's Board and the Shareholder should, in the first instance, be through the Chair or the Chief Executive engaging with the Shareholder Representative.

The Senior Independent Director of RFL shall lead and co-ordinate on behalf of the Board an annual

review of Chair's performance in accordance with the Code, working closely with the Shareholder Representative.

3.12. The role of individual Board members

Individual Board members should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies and with the rules relating to the use of public funds and conflicts of interest, and with any applicable guidance on the role of Public Sector non-executive directors and Boards that may be issued from time to time by HMG;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- ensure that, in accordance with the Code they should not take on additional external appointments without prior approval of the Board. Furthermore, the Shareholder Representative should be informed in advance before a director takes on a new external appointment;
- comply with the Board's rules on the acceptance of gifts and hospitality; and
- act in a way they consider in good faith will most likely achieve the Objectives and otherwise comply with their statutory, regulatory, common law and fiduciary duties.

3.13. Board composition

The Board comprises the non-executive Chair, the NEDs (including the Shareholder Director), the CEO and such other executive Directors whose appointment is recommended by the Nominations Committee and approved by the Board from time to time.

All of the above will be "company directors" within the meaning of the Companies Act 2006.

The Board must contain a balance in favour of non-executive Directors whom the Board considers to be independent. The quorum for Board meetings shall be three Directors. The Shareholder will seek to procure that the Shareholder Director attends all meetings of the Board of which notice to the Directors is given. If the Shareholder Director is unable to attend any meeting of the Board of which notice to the Directors has been given, the Shareholder Representative, or the Shareholder, has the right to nominate a representative, or the Shareholder, to attend such meeting as an observer (the "**Board Observer**"). The Shareholder Representative will promptly notify RFL in writing of the contact details (usually including the email address) for the Board Observer so as to enable RFL to promptly provide the Board Observer with copies of any materials which are to be discussed at the relevant Board meeting.

3.14. Board committees

It is the responsibility of the Board to constitute its standing committees (namely the Audit and Risk, Remuneration, Nomination, and Investment Committees).

The membership and terms of reference of each committee shall be determined by the Board and reviewed and updated as necessary by the Board, on at least an annual basis. The Shareholder Director must always be a member of the Audit and Risk, Remuneration, and Nomination Committees. In the event the Shareholder Director is unable to attend a meeting of a Board committee of which notice to the Directors has been given, the Shareholder Representative, or the Shareholder, may, at its sole discretion, nominate a representative, or the Shareholder, to attend the relevant meeting as an observer (the "**Board**

Committee Observer"). The Shareholder Representative will promptly notify RFL in writing of the contact details (usually including the email address) for the Board Committee Observer so as to enable RFL to promptly provide the Board Committee Observer with copies of any materials which are to be discussed at the relevant Board committee meeting.

The Audit and Risk Committee is responsible for assisting the Board in fulfilling its oversight responsibilities for the financial reporting process, systems of internal control, risk management, the internal capital adequacy process, and internal and external audit. Its remit also includes matters relating to whistleblowing and compliance with applicable regulations and legislation, including the Act. Refer to **Appendix 3** for the RFL Audit and Risk Committee Terms of Reference.

The Remuneration Committee will consider and approve the remuneration arrangements for the Chair, the Executive Directors and Senior Management in accordance with the terms of this Framework Document. In line with The Code, Non- Executive Director remuneration is a matter which is agreed by the whole Board, following recommendation from RFL's Nomination Committee, subject to approval by the Shareholder as set out below. Refer to **Appendix 4** for the RFL Remuneration Committee Terms of Reference.

The Nominations Committee is responsible for leading the process for Board appointments (excluding the Chair and Shareholder Representative), ensuring a rigorous search and selection process based on its evaluation of the balance of skills, knowledge and experience required on the Board. Refer to **Appendix 5** for the RFL Nominations Committee Terms of Reference.

The Investment Committee is responsible for supporting the Board and the Chief Executive in the development and implementation of the RFL Investment Strategy. It also provides assurance to the Board with regards to the ongoing performance and compliance of the nominated Investment Manager(s) and Custodian(s) and ensures adherence to the Board agreed investment mandate. Refer to **Appendix 6** for the RFL Investment Committee Terms of Reference.

3.15. Operating Plan and Performance Measures

RFL's operating plan ("**Operating Plan**") shall set out how RFL will achieve the Objectives and respond, as appropriate, to policy developments as advised by the Shareholder and DCMS. The Operating Plan will be developed, reviewed and updated by the Board and approved by the Shareholder. Among other things, it shall include:

- financial information at a level of detail agreed between RFL and the Shareholder Representative covering a 3-year forecast period, including an income statement, balance sheet, cashflow statement and explanatory narrative regarding assumptions;
- description of how the Objectives are being fulfilled in the current period and for the future including clear descriptions of risks and opportunities to the plan; and
- a set of Key Performance Indicators (KPIs) to allow the Board and Shareholder Representative to track performance against the plan.

4. Management and Financial Framework

4.1. Shareholder guidance

The activities, roles and responsibilities of RFL as described in this Framework Document should comply with the principles set out in MPM and guidance issued by the Shareholder (as amended from time to time and to the extent applicable to RFL).

4.2. Delegated authorities

RFL's delegated authorities are set out in the Delegation Letter. The Delegation Letter may be updated and superseded by later versions which may be issued by the Shareholder. In line with MPM Annex 2.2 these delegations will be reviewed on an annual basis.

RFL shall obtain the Shareholder's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Shareholder;
- making any change of policy or practice which has wider financial implications that might prove repercussive, or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in MPM.

4.3. No distributions to members

Under the Act and the Articles, RFL is not permitted to make any distributions (including any distribution on winding up) of any of its income or assets to its members (other than in very limited circumstances in the context of its ability to defray certain specific reasonable expenses permitted under paragraph 1 of Schedule 1 to the 2008 Act, and without prejudice to its ability to transfer money to the body or bodies for the time being specified in section 16(1) of the 2008 Act (currently The National Lottery Community Fund)). No dividend distributions are to be made to the Shareholder as this is not permitted by the 2008 Act.

4.4. Loan and working capital facilities

RFL will operate through the Government Banking Service and such commercial banking arrangements as are approved by the Board within a framework as are approved by the Board and Shareholder from time to time.

It is not anticipated that RFL will require any loan facilities other than for working capital. However, any loan facilities put in place should be reviewed and approved by the Board and take into account guidance set out in *MPM (5.8 Borrowing by Public Sector Organisations and 5.9 External Borrowing)* where relevant. Any loan facility will be arranged between RFL and the Shareholder and will be conducted on commercial arms-length terms for the purposes of providing working capital.

4.5. Procurement

RFL shall align its procurement policies, and comply, with the Public Contracts Regulations 2015 and, to the extent it is advised to do so by the Shareholder, shall, in all material respects, comply with other relevant UK procurement rules (or equivalent international rules, to the extent that such are applicable to RFL and the Shareholder).

RFL shall set out its procurement policies in a "Procurement Policy and Procedures Manual". In procurement cases where RFL is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the Shareholder.

Goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted

contracts shall be limited and exceptional, and, if requested by the Shareholder, a report explaining any such exceptions will be shared by RFL with the Shareholder.

Procurement by RFL of works, equipment, goods, and services shall be based on, a full option appraisal and VfM, i.e. the optimum combination and whole life costs and quality (fitness for purpose).

RFL shall:

- engage fully with department and government wide procurement initiatives that seek to achieve VfM from collaborative projects
- comply with all relevant Procurement Policy Notes issued by Cabinet Office
- co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM

RFL shall comply with the Commercial and Grants Standards as published at <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>. These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all departments and ALBs, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.

4.6. Annual Report and Accounts

RFL's Board must publish an annual report of its activities together with its audited accounts after the end of each financial year. The Shareholder will issue an Accounts Direction with which RFL will be expected to comply.

The annual report to be produced by RFL will comply with the Companies Act 2006 and the timing for production of such accounts shall accord with "best practice" applicable to UK registered companies.

The annual report and accounts shall also follow the principles in the Shareholder's Financial Reporting Manual ("FReM") and provide the additional disclosures required by FReM where these go beyond the Companies Act 2006. RFL will be subject to certain consolidation responsibilities, including the preparation of consolidation packs and any adjustments that may be required for any differences in accounting policies.

RFL will share a draft of the report narrative with the Shareholder Representative for review before it is signed off by RFL's Board providing adequate time for such review and not less than five working days. The final report should be submitted to the Shareholder immediately upon receipt of auditor approval, for endorsement. The Shareholder recognises that the finalised annual report is solely the responsibility of RFL's Board. Publication will be dependent on other Government and RFL announcements but will be as soon as feasibly possible.

The Shareholder will lay the Annual Report and Accounts before Parliament, and it should be made available on RFL's website.

4.7. Audit Requirements

Internal

RFL will maintain an internal audit function (with or without external professional support) which will report to the Audit and Risk Committee and will cover (among other things) matters relating to risk management and internal controls within a framework set by the Audit and Risk Committee, which will include compliance with the terms of this Framework Agreement.

External

The Comptroller and Auditor General (the “**C&AG**”), operating through the National Audit Office, shall audit RFL’s accounts.

The C&AG may also carry out Value for Money studies of RFL under the National Audit Act 1983 examining the economy, efficiency and effectiveness with which RFL and/or its subsidiaries have used their resources in discharging their functions. RFL will make available to the C&AG its accounts and other relevant information, documents and access to staff as necessary for such examinations.

The Shareholder and RFL shall provide, in conditions to any grants or contracts, for the C&AG to exercise such access to documents held by grant recipients, contractors or sub-contractors as may be required for its audit and examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

The C&AG may, with the approval of the Board, share with the Shareholder information identified during the audit process following the completion of the audit. Once issued to RFL, the C&AG may, with the approval of the Board, share with the Shareholder relevant audit planning reports, interim progress reports and audit completion reports (together with any other relevant outputs).

4.8. Delegations

The Board is responsible for establishing appropriate delegations with the Executive Directors. The Shareholder Representative will review these delegations from time to time with the Board.

5. Freedom of Information Act (“FOIA”)

The CEO of RFL is authorised to act as the "qualified person" under section 36(5)(o)(iii) of FOIA, pursuant to the letter of authorisation set out at **Appendix 7** of this Framework Document.

6. Reporting on legal risk and litigation

Notwithstanding the provisions of any protocol agreed as set out below, RFL shall provide a quarterly update to the Shareholder on the existence of any active litigation and any threatened or reasonably anticipated litigation.

The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the Shareholder in a timely manner.

In respect of each substantial piece of litigation involving RFL, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the Shareholder to facilitate this. Subject to the terms of any litigation protocol, the parties will ensure that:

- material developments in the litigation are communicated to the Shareholder in an appropriate and timely manner;
- legally privileged documents and information are clearly marked as such;
- individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege; and

- circulation of legally privileged information within Government occurs only as necessary.

For the avoidance of doubt, information that is subject to litigation privilege will only be shared on the basis of a litigation protocol as contemplated above and, in the case of information that is subject to legal advice privilege, subject to appropriate arrangements agreed between the parties at the time.

Nothing in this Framework Document shall require RFL (or authorise any person without the express agreement of RFL) to waive any right of legal professional privilege (including litigation privilege and/or legal advice privilege) that RFL may have.

7. Risk management

RFL shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Shareholder's published guidance "Management of Risk: Principles and Concepts".

8. Counter Fraud

RFL should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in MPM Annex 4.9. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid.

RFL should keep records of and prepare and forward to the Shareholder an annual report on fraud and theft suffered by RFL and notify the Shareholder of any unusual or major incidents as soon as possible. RFL should also report identified loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

9. Remuneration and Staff

9.1. Status of RFL's employees

RFL's staff are Public Servants.

9.2. Participation in Principal Civil Service Pension Scheme

RFL provides access to a defined contribution pension scheme and makes employer contributions to the scheme tiered to personal contribution level. RFL employees will not participate in the Principal Civil Service Pension Scheme, however, the Shareholder will keep this under periodic review to assess the impact on overall remuneration if there are changes to the pay structure over time.

9.3. Pay Controls

Subject to any agreements made between the Shareholder and RFL, controls over pay and conditions shall apply as follows:

- *senior pay*: unless alternative arrangements are agreed with the Shareholder Ministers,

remuneration packages above the senior pay threshold require the approval of the Chief Secretary to the Shareholder in accordance with the guidance on the approval of senior pay which came into force on 1 January 2018 or any updates thereafter; and

- *other pay*: RFL will comply with the annual Civil Service Pay Remit Guidance, except where prior approval has been given by the Shareholder to vary such rates.

9.4. Board responsibility for staff matters

Subject to any exemptions or agreements made between the Shareholder and RFL, the following shall apply in respect of RFL's staff:

- remuneration and terms: the Board is solely responsible for all other staff matters, including the appointment and management of staff, determining staff numbers, and determining terms and conditions of appointment in accordance with the appropriate RFL HR documents, including the Remuneration Policy having regard to relevant public sector guidance. RFL must have regard to wider public sector pay policy when setting a Remuneration Policy for RFL and the Remuneration Committee should have oversight of all bonus and incentive schemes. The Board will delegate to the Remuneration Committee those responsibilities set out in section 3.14 above;
- off-payroll rules: it is the responsibility of RFL to ensure it complies with the IR35 requirement;
- compensation scheme rules and pension scheme rules should reflect legislative and the Shareholder guidance requirements regarding exit payments;
- confidentiality clauses: confidentiality clauses may only be used as permitted in relevant public sector guidance and in accordance with RFL's regulatory requirements³;
- salary sacrifice schemes must be consistent with MPM guidance on tax planning;
- travel: travel policy must be consistent with the guidance on travel for public sector employers⁴, with first class travel only permitted if there is a strong business need to do so;
- pension schemes are defined contribution and not based on final salary;
- transparency: RFL should report (via the Remuneration Committee) to the Shareholder Representative the number of posts paid above the remuneration threshold (with names). The Annual Report should contain full details of the remuneration of Board members, provide information in bands for Executive Committee members paid above the remuneration threshold, and report the numbers of other staff (without names) paid above the remuneration threshold. RFL should also notify HMT, via the Shareholder Representative, of all bonus arrangements put in place that are above the remuneration threshold as soon as the decision is made and within no more than one month. The number of bonuses paid above the threshold should be made public in the Annual Report; and
- other benefits: benefits are set out in RFL's Remuneration Policy (**Appendix 3**) which also covers legacy arrangements. RFL must not offer allowances that may be considered novel, contentious or repercussive.

³ Guidance on confidentiality clauses can be found here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/817156/Cabinet-Office_guidance-on-settlement-agreements-special-severance-payments-on-termination-of-employment-and-confidentiality-clauses.pdf

⁴ Guidance on travel for public sector employers can be found here: <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

9.5. Remuneration criteria

The Remuneration Committee shall determine the Remuneration Policy and remuneration levels in accordance with the following criteria (which shall also be reflected in the Remuneration Committee terms of reference and the Remuneration Policy itself). The criteria are that remuneration levels:

- are sufficient to attract and motivate high calibre individuals to drive the delivery of the activities and the Objectives;
- are structured to link remuneration of all employees to performance in line with the Operating Plan;
- are aligned with the Objectives;
- deliver value for money; and
- take account of MPM and take account of remuneration levels within comparable public sector institutions and are set with wider public sector pay policy in mind.

Staff terms and conditions should be set out in an Employee Handbook, which should be provided to the Shareholder Representative, together with subsequent amendments, on request.

RFL will operate a performance-related bonus scheme based on company and individual performance approved by its Remuneration Committee.

The travel expenses of Board members will be tied to the rates allowed to senior staff of RFL. Reasonable actual costs, excluding alcohol, shall be reimbursed.

10. Term of this Framework Document

This Framework Document shall continue for as long as the Shareholder (acting through the Shareholder Representative) remains the sole shareholder of RFL. Should the Shareholder (acting through the Shareholder Representative) cease to be the sole shareholder of RFL, this Framework Document shall cease to have effect.

11. Review of ALB Status

The status of RFL will be reviewed by the Shareholder in line with Cabinet Office Guidance.

12. Revision of this Framework Document

This Framework document shall be reviewed and updated at least every 3 years unless there are exceptional reasons that render this inappropriate that have been agreed with the PAO of the Shareholder. The latest date for review and updating of this Framework Document is 31 October 2028.

No variation of this Framework Document shall be effective unless it is in writing and signed by the parties.

13. Signatures

Signed on behalf of His Majesty's Treasury, Reclaim Fund Ltd., and UK Government Investments:



Alanna Barber,
Deputy Director,
Banking and Credit, Financial Services
Her Majesty's Treasury



Adrian Smith,
Chief Executive Officer
Reclaim Fund Limited



Holger Vieten,
Director
UK Government Investments

Date of signatures: 10th October 2025

Appendices

- Appendix 1: Application of Government-wide Corporate Legislation, Codes of Good Practice and Guidance
- Appendix 2: Accounting Officer Letter
- Appendix 3: RFL Audit and Risk Committee Terms of Reference
- Appendix 4: RFL Remuneration Committee Terms of Reference
- Appendix 5: RFL Nominations Committee Terms of Reference
- Appendix 6: RFL Investment Committee Terms of Reference
- Appendix 7: Freedom of Information Act Letter of Authorisation

Appendix 1

Application of Government-wide Corporate Legislation, Codes of Good Practice and Guidance

The Company should take into account the following general legislation, codes of good practice and guidance documents:

Financial Management and Reporting

- Government Financial Reporting Manual (FReM) – updated annually
<https://www.gov.uk/government/publications/government-financial-reporting-manual-2019-20>
- Relevant Dear Accounting Officer (DAO) letters,
<https://www.gov.uk/government/collections/dao-letters>
- Production of Accounting Officer System Statements (AOSS),
<https://www.gov.uk/government/publications/accounting-officer-system-statements>
- Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts,
<https://www.gov.uk/government/collections/whole-of-government-accounts>;

Management of Risk

- Management of Risk: Principles and Concepts
<https://www.gov.uk/government/publications/management-of-risk-in-government-framework>;
<https://www.gov.uk/government/publications/orange-book>;
- HM Treasury and NAO Guidance on Tackling Fraud
https://www.nao.org.uk/wp-content/uploads/2013/02/Tackling_External_Fraud.pdf;
- Public Sector Internal Audit Standards
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

Public Appointments

- Guidance from the Commissioner for Public Appointments
<https://publicappointmentscommissioner.independent.gov.uk/>;
- Governance Code on Public Appointments
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/578498/governance_code_on_public_appointments_16_12_2016.pdf
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418726/PPN_08-15_Tax_arrangements_for_public_appointees.pdf

Staff and Remuneration

- HM Treasury guidance on senior pay and reward
<https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>;
- Public sector pay and terms

<https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>;

- Whistleblowing Guidance and Code of Practice,
<https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>
- The Equalities Act 2010
<https://www.gov.uk/guidance/equality-act-2010-guidance>;
- Modern Slavery Act 2015
<http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>

Other

- Freedom of Information Act guidance and instructions,
<http://www.legislation.gov.uk/ukpga/2000/36/contents>,
<https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration
<https://www.ombudsman.org.uk/about-us/our-principles>

Appendix 2: Accounting Officer Letter



Adrian Smith
Chief Executive
Reclaim Fund Ltd
3rd Floor
11-12 St James's Square
London SW1Y 4LB

adrian.smith@reclaimfund.co.uk

Tom Scholar
Permanent Secretary
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

020 7270 4360 / 5158
Tom.scholar@hmtreasury.gov.uk
www.gov.uk/hm-treasury

3 February 2021

Dear Adrian

Accounting Officer for Reclaim Fund Ltd

Your appointment as Chief Executive carries with it the responsibility of Accounting Officer for Reclaim Fund Ltd. I am therefore appointing you as Accounting Officer, with effect from 3 February 2021 for Reclaim Fund Ltd accounts.

As Principal Accounting Officer, I am accountable for the HM Treasury Account. I must satisfy myself that the resources authorised by Parliament are used for the purposes intended by Parliament. This will include all income received by Reclaim Fund Ltd. You will be personally responsible and accountable to Parliament for the use of public money and stewardship of public assets.

You will be required to provide a governance statement as part of Reclaim Fund Ltd's annual report and accounts. The statement should give assurances about performance and insight on Reclaim Fund Ltd's risk profile, the responses to the identified and emerging risks and how any risks have been successfully tackled.

As an accounting officer, you must be able to assure Parliament and the public of high standards of probity in the management of public funds and assets. This will include Reclaim Fund Ltd's governance statement; your organisation's governance, decision-making and financial management assurances when considering, promoting and safeguarding regularity, propriety, affordability, feasibility, sustainability, risk, and value for money across the whole of the public sector and not just your organisation; and

accounting accurately and transparently for your organisation's financial position and transactions. It is important that you appreciate that if you do not meet the standards required of accounting officers, your accounting officer designation can be withdrawn.

You will wish to note the circumstances set out in Chapter 3 in [Managing Public Money](#) on Arm's Length Bodies. In the event you were to be overruled by your Board on a matter of propriety, regularity, value for money or feasibility, you should inform me of any issues in the first instance. However, in the event of a written direction from the Board, you will need to inform the Comptroller and Auditor General.

[Managing Public Money](#) sets out the principles and high standards expected for handling public resources and Chapter 3 focuses on the main responsibilities of an accounting officer. Your accountability will be subject to my overall responsibilities for the HM Treasury Account. As part of these responsibilities, the Committee of Public Accounts may invite you to attend as a witness at its evidence sessions. Appearing as a witness before the Committee is not optional. It is only with specific agreement of the Chair of the Committee that an accounting officer may defer their attendance or send a substitute.

You should also look at the following Treasury issued guidance:

[The accounting officer's survival guide](#) which draws out the main accounting officer's responsibilities;

[Accounting officer assessments: guidance](#) which advises accounting officers faced with challenging decisions on policy initiatives;

[Parliamentary scrutiny of public spending](#) which provides practical guidance on engagement with the National Audit Office and the Committee of Public Accounts; and

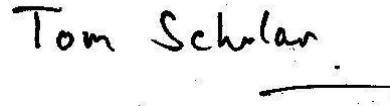
[Regularity, Propriety and Value for Money](#) which contains many learning examples for accounting officers.

The Civil Service Leadership Academy provides a full training package for newly appointed accounting officers, namely, the *Accounting Officer's Responsibilities Roundtable* which is held in the Treasury (or virtually if appropriate), and covers the concepts of regularity, propriety, value for money and feasibility as they affect public service delivery. I recommend that you contact the Leadership Academy to arrange this training: csleadershipacademy@cabinetoffice.gov.uk

Additionally, I have asked Anna Caffyn, HMT Finance Director, to talk to you about your role as accounting officer. You should also arrange a discussion with staff at the National Audit Office. The Treasury Officer of Accounts team can offer further advice in your accounting officer capacity.

Finally, may I take this opportunity to wish you well in your new appointment as an accounting officer.

I am copying this letter to the [Comptroller and Auditor General](#), the [Clerk of the Committee of Public Accounts](#) and the [Treasury Officer of Accounts](#) and the Civil Service Leadership Academy.

A handwritten signature in black ink that reads "Tom Scholar". The signature is written in a cursive style with a horizontal line underneath the name.

Tom Scholar

Appendix 3

Audit and Risk Committee Terms of Reference

1. CONSTITUTION

These Audit and Risk Committee (the “Committee”) Terms of Reference were first approved on 24 January 2011 and last revised on 18 September 2025 by the Board (the “Board”) of Reclaim Fund Ltd (“RFL”).

2. MEMBERSHIP

- 2.1. The Committee shall be appointed by the Board upon the recommendation of the Nomination Committee and in consultation with the Chair of the Committee and shall consist of no fewer than three members all of whom shall be Non-Executive Directors of RFL, with at least one being an independent Non-Executive Director and one being the Shareholder appointed Non-Executive Director. If the Shareholder appointed Non-Executive Director is unable to attend a Committee meeting, UKGI as the Shareholder Representative may nominate a representative to attend the meeting as an observer (the “Observer”). The Shareholder Representative must give prior notice to the Committee members and promptly notify the Company Secretary or equivalent individual in writing of the Observer’s relevant contact details. This will enable the prompt forwarding of any Committee related papers.
- 2.2. The Board shall appoint the Chair of the Committee, who shall be an independent Non-Executive Director.
- 2.3. One member of the Committee will have sufficient recent and relevant financial skills and experience.
- 2.4. The Chair of the Board shall not be a member of the Committee.
- 2.5. The Company Secretary, or their nominee shall be the Secretary of the Committee and shall circulate the minutes of the meetings to the Committee and all attendees.

3. ATTENDANCE AT MEETINGS

- 3.1. Only members of the Committee have the right to attend meetings of the Committee. However, other individuals, such as the Chief Executive and external advisers, may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 3.2. The External Audit Senior Statutory auditor and the Internal Audit partner or manager for RFL will be invited regularly by the Committee to attend meetings.

4. QUORUM

- 4.1. A quorum shall be two members present throughout the meeting in person or by any form of real time telephone or electronic communication. If the Shareholder appointed Non-Executive Director is unable to attend a Committee meeting, the Shareholder Representative may nominate an Observer to attend but they will not be part of the quorum of the meeting.
- 4.2. In the absence of the Committee Chair, the remaining members shall elect one of themselves to chair the meeting.
- 4.3. 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. Meetings shall be held at least four times a year or more frequently as circumstances require.

- 5.2. The Committee Chair shall convene a meeting if they or the Secretary considers it necessary, or on the reasonable request of any Committee member who considers it necessary or at the request of the External or Internal Auditors if they consider it necessary.

6. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be:

6.1. Financial reporting

- 6.1.1. Monitor the integrity of, and agree with management and the External Auditor, the annual report and accounts and any other formal announcements relating to RFL's financial performance and position before recommendation to the Board of the Annual Report and Accounts, focusing particularly on:
- the appropriateness of the accounting policies and practices and whether financial reporting disclosures made are set properly within context and any changes thereto;
 - areas involving significant judgement, estimation or uncertainty;
 - material misstatements detected by the auditors that individually or in aggregate have not been corrected and management's explanations as to why they have not been adjusted;
 - the basis for any going concern and viability assumption; and
 - assurances from management on compliance with financial reporting standards and relevant financial, regulatory and governance requirements.
- 6.1.2. Consider any unadjusted audit differences or other matters arising from the External Auditors' review of the final annual report and accounts (in the absence of management where necessary).
- 6.1.3. Review the External Auditors' reports to the Directors and management's response to such reports.
- 6.1.4. Review the annual statements on internal control of RFL and its compliance with the UK Corporate Governance Code or subsequent corporate governance guidance (to the extent to which it is adopted) prior to consideration by the Board.
- 6.1.5. Agree the disclosure relating to the role of the Committee which is included in the Annual Report ensuring it complies with the principles and provisions of the Financial Reporting Council's UK Corporate Governance Code (as amended and updated from time to time) to the extent appropriate to the Company or specifies and explains any non-compliance.

6.2. External Audit

- 6.2.1. Discuss with the External Auditor the nature and scope of the audit and ensure effective co-ordination if more than one external audit firm is involved.
- 6.2.2. Consider communications from the External Auditor on audit planning and findings on material weaknesses in accounting, internal control systems and issues of irregularity that came to the auditor's attention.
- 6.2.3. Approve and monitor the application of the formal RFL Non Audit Work Policy.
- 6.2.4. Meet regularly with the External Auditor and at least once a year meet the External Auditor without the Chief Executive or other management present to discuss any matters that they believe should be discussed privately.
- 6.2.5. Monitor and annually review the effectiveness and fees of RFL's External Audit function and advise the Shareholder accordingly. Appointment, re-appointment, removal and remuneration of the External Auditor are matters reserved for the Shareholder as set out in the Company's Framework Document.
- 6.2.6. Annually assess the independence and objectivity of the External Auditor taking into account relevant UK professional and regulatory requirements and the relationship with the External Auditor as a whole and advise the Shareholder accordingly.

6.3. Internal Audit

- 6.3.1. Triennially, consider and conclude on a report from management assessing the effectiveness of RFL's Internal Audit function.
- 6.3.2. Approve the appointment of the outsourced Internal Audit services provider and periodically review these arrangements in line with the contract renewal and expiry dates.
- 6.3.3. Approve the terms of engagement and the remuneration to be paid to the provider of Internal Audit services in respect of the audit services provided.
- 6.3.4. On an annual basis review and approve the annual Internal Audit Plan, including the Internal Audit scope and approach.
- 6.3.5. Review and discuss with the Internal Auditor the issues identified as a result of Internal Audit work and how management proposes to address these issues.
- 6.3.6. Receive reports from the Internal Auditor on progress against the Internal Audit Plan and on management's actions to address Internal Audit recommendations.
- 6.3.7. Meet regularly with the Internal Auditor and at least once a year meet the Internal Auditor without the Chief Executive or other management present to discuss any matters that they believe should be discussed privately.
- 6.3.8. Consider and approve the remit of the Internal Audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively for RFL and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions which may impair the independence of Internal Audit.
- 6.3.9. Confirm that there is adequate co-ordination between the Internal Auditors and the risk management function through the regular reports from, and private session with the Internal Audit lead and the CRO.

6.4. **Internal Control Systems**

- 6.4.1. Review the adequacy and effectiveness of RFL's systems of internal control and the procedures for monitoring their effectiveness.
- 6.4.2. Review and challenge where necessary:
 - regular assurance reports from management, Internal Audit, External Audit and Risk and others on matters related to the adequacy of controls;
 - the timeliness of, and reports on, the effectiveness of corrective action taken by management; and
 - to the extent that they may be adopted, whether the principles of the UK Corporate Governance Code or other relevant guidance have been embedded within RFL.
- 6.4.3. Review RFL's procedures for detecting fraud.
- 6.4.4. Review RFL's procedures for the prevention of bribery.
- 6.4.5. Consider the major findings of any relevant internal investigations into control weaknesses, fraud or misconduct and management's response (in the absence of management where necessary).
- 6.4.6. Oversee and review the adequacy of controls around material outsourcing arrangements.
- 6.4.7. Review and recommend to the Board the Cyber Risk Strategy.
- 6.4.8. Consider management's annual assessment of whether the Risk & Control Gateway criteria (relevant to the Chief Executive's annual bonus) have been met and, based on this assessment, provide a conclusion on the achievement of the Gateway to the Remuneration Committee.

6.5. **Whistleblowing**

6.5.1. Review arrangements by which staff may, in confidence, raise concerns about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.

6.5.2. Review and recommend to the Board management's annual attestation on Whistleblowing.

6.6. Risk Management

6.6.1. Receive and review a report from the Chief Risk Officer at each meeting.

6.6.2. Review, challenge and provide an opinion to the Board on the adequacy of risk management activities across RFL including risk mitigation and internal control systems.

6.6.3. Ensure that a supportive culture in relation to the management of risk is embedded and maintained.

6.6.4. Review and challenge the adequacy of the risk management process and systems in operation including:

- application of risk appetite and tolerances;
- risk reporting;
- processes to ensure that risks are adequately identified and measured;
- the adequacy of risk mitigation activities; and
- adequacy of the risk policy framework.

6.6.5. Set standards for risk management processes and techniques and benchmark against industry good practice on a regular basis.

6.6.6. Review, challenge and recommend to the Board the RFL Risk Management Framework (including risk appetite statements and risk strategy).

6.6.7. Monitor compliance with the Board's approved risk appetite statements, including management's approach to the establishment of Key Risk Indicators and limits for different risk categories.

6.6.8. Review and recommend to the Board and/or approve the necessary risk policies as set out in the RFL Policy Governance document.

6.6.9. Review and challenge the impact assessment of the strategic plan on the risk and capital profile of RFL and its constituent elements, taking account of RFL's current risk exposures and future risk strategy.

6.6.10. Monitor the adequacy of resources and the role and effectiveness of the Risk Management & Compliance Function.

6.6.11. Review and recommend to the Board any material contracts or arrangements of RFL (or any modifications to existing contracts or arrangements).

6.7. Regulatory Compliance

6.7.1. Review the activity undertaken by the Compliance team to assess, monitor and manage the regulatory risks identified from time to time.

6.7.2. Review and discuss the issues identified as a result of Regulatory Compliance work and how management is addressing these issues.

6.7.3. Monitor regulatory relationships, in particular, with the Financial Conduct Authority.

6.7.4. Receive reports on any significant regulatory developments, agree and monitor management actions and consider issues arising to be brought to the attention of the Board.

6.8. Reserving and Capital

6.8.1. Review and challenge the adequacy of the risk analysis and stress / scenario tests utilised in the Internal Capital Adequacy Assessment Process (ICAAP).

- 6.8.2. Review and approve the ICAAP.
- 6.8.3. Review management's assurance that adequate independent review procedures are in place around the reclaim risk model design, operation and performance validation, including the approval (at least annually) of associated policies and assumptions.
- 6.8.4. Review, challenge and provide opinion to the Board on management's recommendations on the level of capital held in relation to how adequately it reflects the RFL risk profile.
- 6.8.5. Review management's proposed annual distribution amount and payment of surplus funds to the nominated distributor(s) and recommend to the Board for approval.

6.9. Sustainability

- 6.9.1. Oversee the effective operation of the Sustainability Framework by management, co-ordinating this with: the Investment Committee, who will provide oversight in relation to investment management, and the Nomination Committee, who will provide oversight in relation to Board diversity.
- 6.9.2. Review management's annual review of, and approve, the Sustainability Framework and Policy Statement.
- 6.9.3. Review and recommend to the Board management's annual attestation in respect of Modern Slavery.

6.10. Participation

- 6.10.1. Review annual reports from management in regard to the oversight of participants.
- 6.10.2. Review and approve any new Transfer and Agency Agreements and any material changes to existing Agreements.

7. OTHER MATTERS

The committee shall:

- 7.1. have access to sufficient resources in order to carry out its duties, including the engagement of any firm of accountants, lawyers, or other professionals, as the Committee sees fit, to provide independent advice and to assist in any review or investigation on such matters as the Committee deems appropriate, at RFL's expense;
- 7.2. at least once a year, meet with the Chief Financial Officer and Chief Risk Officer to discuss any matters that any of these parties believe should be discussed privately;
- 7.3. annually, review its own effectiveness, 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;
- 7.4. oversee any investigation of activities which are within its terms of reference and act for internal purposes as a court of last resort; and
- 7.5. consider other disclosures, documents or topics, as determined by the Board from time to time.

8. REPORTING LINES

- 8.1. The Committee Chair shall report formally on Committee business to the Board with such recommendations as the Committee may deem appropriate for either the Board or Shareholder to approve.

Approved by Audit and Risk Committee on 18 September 2025

Approved by the Board on 18 September 2025

Appendix 4

Remuneration Committee Terms of Reference

1. CONSTITUTION

These Remuneration Committee (the “Committee”) Terms of Reference were first approved on 15 May 2015 and last revised on 9 July 2025 by the Board (the “Board”) of Reclaim Fund Ltd (“RFL”).

2. MEMBERSHIP

- 2.1. The Committee shall be appointed by the Board, upon the recommendation of the Nomination Committee and in consultation with the Chair of the Committee and shall consist of no fewer than three members, one of which shall be the Shareholder appointed Non-Executive Director and the remainder shall be independent Non-Executive Directors. If the Shareholder appointed Non-Executive Director is unable to attend a Committee meeting, UKGI as the Shareholder Representative may nominate a representative to attend the meeting as an observer (the “Observer”). The Shareholder Representative must give prior notice to the Committee members and promptly notify the Company Secretary or equivalent individual in writing of the Observer’s relevant contact details. This will enable the prompt forwarding of any Committee related papers.
- 2.2. The Chair of the Committee shall be an independent Non-Executive Director. The Chair of the Board may serve on the Committee as a member if he or she was considered independent on appointment as Chair.
- 2.3. The Company Secretary or their nominee shall be the Secretary of the Committee and shall circulate the minutes of the meetings to the Committee and all attendees.

3. ATTENDANCE AT MEETINGS

Only members of the Committee have the right to attend meetings of the Committee. However, other individuals such as the Chief Executive and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

4. QUORUM

- 4.1. A quorum shall be two members present throughout the meeting in person or by any form of telephone or real time electronic communication. If the Shareholder appointed Non-Executive Director is unable to attend a Committee meeting, the Shareholder Representative may nominate an Observer to attend but they will not be part of the quorum of the meeting.
- 4.2. In the absence of the Committee Chair, the remaining members shall elect one of themselves to chair the meeting.
- 4.3. 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. Meetings shall be held at least twice a year or more frequently as circumstances require.
- 5.2. The Committee Chair may also convene a meeting if they consider it necessary, or on the reasonable request of any Committee member who considers it necessary.

6. RESPONSIBILITIES

The duties and responsibilities of the Committee shall be:

- 6.1. Responsibility for setting policies with respect to the remuneration of Executive Directors and the Executive Committee for recommendation to the Board, subject to any agreements made with the Shareholder on remuneration.
- 6.2. In determining such policy, take into account all factors which it deems necessary including relevant public sector guidance and legal regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance. The remuneration policy shall have regard to the risk appetite of the Company and alignment with the Company's long term strategic goals. When setting remuneration policy for the Chief Executive and the Executive Committee, review and have regard to pay and employment conditions in comparable sectors.
- 6.3. Review the ongoing appropriateness and relevance of the remuneration policy to ensure it is consistent with the Company's long-term objectives, in consultation with the Shareholder.
- 6.4. Within the terms of the agreed remuneration policy, monitor and recommend to the Board the total remuneration package for the Chief Executive, including bonuses (following a performance appraisal led by the Chair of the Board), incentive payments and other awards as applicable.
- 6.5. Upon recommendation by the Chief Executive, determine and report to the Board the total individual remuneration packages of the other members of the Executive Committee, including bonuses, incentive payments and other awards as applicable.
- 6.6. Upon recommendation by the Chief Executive, approve the total annual bonus payment pool for all other employees.
- 6.7. Determine the policy on termination payments for the Chief Executive, in doing so having regard to the terms of the service contract and reasons for termination. The Committee shall ensure that contractual terms on termination are observed, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 6.8. Obtain reliable and up to date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations, the Committee should have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within budgetary restraints imposed by the Board.
- 6.9. Oversee any major changes in employee benefits structures throughout the Company.
- 6.10. Keep under review the executive leadership needs of the organisation, with a view to ensuring the continued ability of the Company to operate effectively.
- 6.11. Annually, review its own effectiveness, 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.

Determining the fees payable to the Chair of the Board is a matter reserved to the Shareholder.
Determining the fees for the Non-Executive Directors is a matter for the Company's Nomination Committee to recommend to the whole Board for approval, subject to Shareholder approval.

7. REPORTING LINES

- 7.1. The Chair of the Committee shall report formally on Committee business to the Board with such recommendations as the Committee may deem appropriate for either the Board or Shareholder to approve.

Approved by Remuneration Committee on 26 June 2025

Approved by the Board on 9 July 2025

Appendix 5

Nominations Committee Terms of reference

1. CONSTITUTION

These Nomination Committee (the “Committee”) Terms of Reference were first approved on 15 May 2015 and last revised on 9 July 2025 by the Board (the “Board”) of the Reclaim Fund Ltd (“RFL”).

2. MEMBERSHIP

- 2.1. The Committee shall be appointed by the Board in consultation with the Chair of the Committee and shall consist of no fewer than three members all of whom shall be Non-Executive Directors of RFL, with one being the Shareholder appointed Non-Executive Director. If the Shareholder appointed Non-Executive Director is unable to attend a Committee meeting, UKGI as the Shareholder Representative may nominate a representative to attend the Committee meeting as an observer (the “Observer”). The Shareholder Representative must give prior notice to the Committee members and promptly notify the Company Secretary or equivalent individual in writing of the Observer’s relevant contact details. This will enable the prompt forwarding of any Committee related papers.
- 2.2. The Shareholder appointed Non-Executive Director shall not be chair of the Committee.
- 2.3. The Chair of the Board may serve on the Committee as Chair or a member if he or she was considered independent on appointment as Chair of the Board.
- 2.4. The Company Secretary or their nominee shall be the Secretary of the Committee and shall circulate the minutes of the meetings to the Committee and all attendees.

3. ATTENDANCE AT MEETINGS

- 3.1. Only members of the Committee have the right to attend meetings of the Committee. However, other individuals such as the Chief Executive and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 3.2. In the absence of the Committee Chair, the remaining members shall elect one of themselves to chair the meeting.

4. QUORUM

- 4.1. A quorum shall be two members present throughout the meeting in person or by any form of telephone or real time electronic communication. If the Shareholder appointed Non-Executive Director is unable to attend a Committee meeting, the Shareholder Representative may nominate an Observer to attend but they will not be part of the quorum of the meeting.
- 4.2. In the absence of the Chair, the Committee will appoint an interim chair at commencement of the meeting.
- 4.3. 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 will meet as required but at least twice a year.
- 5.2. The Committee Chair may also convene a meeting if he or she considers it necessary, or on the reasonable request of any Committee member who considers it necessary.

6. RESPONSIBILITIES

The duties and responsibilities of the Committee shall be:

- 6.1. Keep the structure, size and composition of the Board under regular review, and make recommendations to the Board with regard to any changes as necessary.
- 6.2. Give full consideration to succession planning for the Board, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- 6.3. Keep under review the governance and leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to operate effectively.
- 6.4. Make recommendations to the Board for approval (or for further recommendation to the Shareholder, as applicable) concerning:
 - 6.4.1. the appointment of the Chief Executive to the Board;
 - 6.4.2. the appointment of Non-Executive Directors (not including the Chair of the Board) to the Board;
 - 6.4.3. formulating plans for succession for the Board as a whole;
 - 6.4.4. suitable candidates for the role of Senior Independent Director, who is to provide a sounding board for the Chair of the Board and to serve as an intermediary for the other Directors as necessary;
 - 6.4.5. the appointment of the chairs and members of the Board sub-committees and any changes thereto.
- 6.5. Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
 - 6.5.1. use open advertising or the services of external advisers to facilitate the search;
 - 6.5.2. consider candidates from a wide range of backgrounds;
 - 6.5.3. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, taking care that appointees have enough time to devote to the position.
- 6.6. For any appointment, the Committee should prepare a job specification, including the time commitment expected.
- 6.7. The Shareholder will appoint the Chair of the Board subject to reasonable prior consultation with this Committee and the Board. It is intended that this appointment will be made in accordance with the principles of the Governance Code for Public Appointments. Any changes to the commitments of the Chair of the Board should be reported to the Board as they arise.
- 6.8. Determine the division of responsibilities between the Chair of the Board and the Chief Executive, which should be set out in writing.
- 6.9. Prior to the appointment of a Director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest.
- 6.10. Ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.
- 6.11. Review the independence of the Non-Executive Directors and make recommendations to the Board with regard to any changes.
- 6.12. Ensure a framework is in place for the robust review of the Board's effectiveness and determine the approach to and frequency of such review, which as a minimum should be annual.

- 6.13. Review the results of any Board evaluation process that relate to the composition of the Board and its committees.
- 6.14. Appointment or removal of the Company Secretary.
- 6.15. Recommend to the Board the level of fees to be paid to the Non-Executive Directors, subject to approval by the Shareholder NED and Chief Executive.

7. REPORTING LINES

- 7.1. The Committee Chair shall report formally on Committee business to the RFL Board with such recommendations as the Committee may deem appropriate for either the Board or Shareholder to approve.

8. OTHER MATTERS

- 8.1. Annually, review its own effectiveness, 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.
- 8.2. Ensure that a framework is in place for the induction of new directors.
- 8.3. Ensure that a framework is in place for the ongoing training and development of directors.

Approved by Nomination Committee on 8 July 2025

Approved by the Board on 9 July 2025

Appendix 6

Investment Committee Terms of Reference

1. CONSTITUTION

These Investment Committee (the “Committee”) Terms of Reference were first approved on 26 July 2013 and last revised on 9 July 2025 by the Board (the “Board”) of Reclaim Fund Ltd (“RFL”). For the purposes of this document, RFL refers to all the processes and activities relating to RFL, including those that have been outsourced to an external third party.

2. PURPOSE

The purpose of the Investment Committee is to support the Board and Chief Executive in the development and implementation of the RFL Investment Strategy and to provide assurance to the Board with regard to the ongoing performance and compliance of the nominated Investment Manager(s) and Custodian with the Board agreed investment mandates and requirements, remaining at all times within the Company’s stated risk appetite. The Committee will also be responsible for the review and recommendation to the Audit and Risk Committee (“AARC”) of the Investment Risk Appetite and the associated risk metrics and tolerances, for incorporation into the wider RFL Risk Appetite.

3. MEMBERSHIP

- 3.1. The Committee shall be appointed by the Board, upon the recommendation of the Nomination Committee and in consultation with the Chair of the Committee and shall consist of no fewer than three members, at least one of whom will be a member of AARC.
- 3.2. The Chair of the Committee shall be an independent Non-Executive Director.
- 3.3. Deputies may only attend with the express permission of the Chair.
- 3.4. The Company Secretary or their nominee shall be the Secretary of the Committee and shall circulate the minutes of the meetings to the Committee and all attendees.

4. ATTENDANCE AT MEETINGS

- 4.1. It is considered that the nominated Investment Manager(s), Custodian and any appointed external advisers may be invited to attend meetings of the Committee from time to time.
- 4.2. External and internal audit representatives will have an open invitation to attend meetings of the Committee.
- 4.3. No one other than the Committee Chair, its members and those named above shall attend meetings of the Committee, unless at the invitation of the Committee Chair.

5. QUORUM

- 5.1. A quorum shall be two members present throughout the meeting in person or by any form of telephone or video conference.
- 5.2. 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.

6. FREQUENCY OF MEETINGS

- 6.1. Meetings should be held at least twice a year or more frequently as circumstances require.

- 6.2. The Committee Chair may also convene a meeting if they consider it necessary, or on the reasonable request of any Committee member who considers it necessary or at the request of the external or internal auditors, or Custodian, if they consider it necessary.

7. RESPONSIBILITIES

The duties and responsibilities of the Committee shall be to perform the following within the context of and in accordance with the Company's stated risk appetite:

7.1. Investment Strategy

- 7.1.1. Review and recommend to the Board the Investment Strategy developed by management which delivers appropriate returns within the Board's risk appetite and ESG guidelines.
- 7.1.2. Review and recommend to the Board the Investment Mandate, which is consistent with the Board approved Investment Strategy.
- 7.1.3. Review and recommend to AARC annually any changes to the Investment Policy.

7.2. Governance and Oversight

- 7.2.1. Review investment performance against the Investment Mandate and appropriate benchmarks, including review of proposed management actions where required.
- 7.2.2. Review compliance with the Investment Policy, Investment Mandate and agreed risk tolerances.
- 7.2.3. Review any breaches of the Investment Mandate and/or agreed risk tolerances, maintain oversight of management taking appropriate remedial action in the event of any such breach and report to the Board as necessary.
- 7.2.4. Review investment-related company policies, according to RFL's Policy Governance document, and recommend to AARC any necessary changes.
- 7.2.5. Review a report prepared by Management detailing investment income and where appropriate related charges for the previous quarter.
- 7.2.6. Maintain oversight of investment manager performance and the annual supplier review process, and approve the fees, for the Investment Managers.

7.3. Implementation of Investment Strategy

- 7.3.1. Ensure the successful implementation of the RFL Board approved Investment Strategy.
- 7.3.2. Develop and recommend to the RFL Board any changes to the Investment Policy and/or universe of approved asset classes, consistent with the RFL Board agreed Investment Strategy and Risk Appetite.
- 7.3.3. Recommend to the RFL Board any changes to the Investment Mandates operated by the appointed Investment Managers.
- 7.3.4. Recommend to the RFL Board any changes to the appointed Investment Managers or Custodian.

7.4. Market Knowledge

- 7.4.1. Receive reports from the Investment Managers and External Advisers (as appropriate) regarding the recent performance and future outlook for Investment Markets.
- 7.4.2. Develop a sufficient understanding of the range of investment options available to meet the Investment Strategy of RFL.
- 7.4.3. Review opportunities to optimise the performance of the RFL Investment portfolio in a manner consistent with the RFL Board agreed risk appetite.

7.5. Environmental, Social and Governance

7.5.1. Provide oversight of management's steps to achieve the investment management elements of RFL's Environmental, Social and Governance targets, and monitor progress towards those targets.

7.6. **Other**

7.6.1. Annually, review its own effectiveness, 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.

8. REPORTING LINES

8.1. The Chair of the Committee shall report formally on Committee business to the Board with such recommendations as the Committee may deem appropriate.

Approved by Investment Committee on 8 July 2025

Approved by the Board on 9 July 2025

Appendix 7: Freedom of Information Act Letter of Authorisation



Mr Adrian Smith
Chief Executive
3rd Floor
11-12 St. James's Square
London, SW1Y 4LB
reclaimfund@reclaimfund.co.uk

30 March 2021

Dear Chief Executive Officer

FREEDOM OF INFORMATION ACT 2000: AUTHORISATION OF A QUALIFIED PERSON

For the purposes of section 36 of the Freedom of Information Act 2000 the Economic Secretary to the Treasury authorises the Chief Executive Officer (or any other person performing a similar function by whatsoever title known) of Reclaim Fund Ltd to be a qualified person in respect of all matters related to Reclaim Fund Ltd, including where appropriate its subsidiary companies, from the date of this letter.

Please note that this authorisation does not confer any power of delegation of the associated functions to any other office holder or personnel.

JOHN GLEN MP