

EARL SHILTON BUILDING SOCIETY

Remuneration Committee – Terms of Reference

Constitution

The Board has established a Committee to be known as the Remuneration Committee.

Membership

The Committee comprises three non-executive directors as determined by the Board from time to time. The Chairman of the Committee is appointed by the Board. A quorum shall be two members. The Society's Chairman shall not chair the Committee.

Attendance at Meetings

The Committee will meet at least twice each year. The Executive Directors and the Management Accountant & Resources Manager will normally be in attendance, but may be requested to leave the meeting if this is considered necessary. Any director may attend with the consent of the Committee's Chairman, and the Committee may require the attendance of any member of staff.

Authority

The Committee may hold additional meetings as it feels appropriate. It may seek any information it requires from employees, and may obtain external legal or other professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

- 1.** To review at least annually the Society's Remuneration Policy Statement and Remuneration Report and approve appropriate amendments, having taken into account any matters raised by the Society's Regulation & Compliance Manager or Internal Auditors concerning the implications of the policy for risk and risk management. In carrying out this review the Committee will have regard to the requirements of the PRA/FCA Handbooks.
- 2.** To make recommendations to the Board concerning the remuneration of the non-executive directors (including fees for acting as a Committee Chair), in the light of the Remuneration Policy Statement and the provisions in the Society's Rules.
- 3.** To determine the remuneration of the Chairman.
- 4.** To determine the terms and conditions of service* of the Chief Executive, after consultation with the Board Chairman.
- 5.** To determine the terms and conditions of service* of any other executive directors, after consultation with the Board Chairman and the Chief Executive.
- 6.** To determine the terms and conditions of service* of other senior managers after consultation with the executive directors.

- 7.** To consider proposals from the Executive and, where appropriate, make recommendations to the Board concerning the terms and conditions of service* of any other member of staff.
- 8.** To make recommendations to the Board concerning the remuneration of all staff in respect of the Christmas Payment, annually consider the introduction of bonus scheme(s) and review the Staff Suggestion Scheme Policy.
- 9.** To approve the Remuneration Report contained in the Society's Annual Report.
- 10.** To approve the Recruitment & Selection Policy annually, the staff handbook, the staff grading structure and review staff morale.
- 11.** To consider any other topics as requested by the Board.
- 12.** To promote positive customer outcomes when decisions are taken.
- 13.** To review these terms of reference annually and recommend any changes to the Board.
- 14.** To consider any other relevant matter not specifically referred to above.

*"Terms and conditions of service" may include (but is not limited to) rates of pay, pensions, mortgage subsidy schemes, incentive schemes, car and travel policies, health insurance schemes, annual leave entitlement (including buying selling thereof) and any other tangible or non-tangible benefit.

Reporting

The minutes of the meeting shall be circulated to all members of the Board.

Review

These Terms of Reference are subject to annual review by the Committee, with the Board ultimately approving the Committee's Terms of Reference.

July 2018