

STAFFING, SALARIES & NOMINATIONS COMMITTEE TERMS OF REFERENCE

1. CONSTITUTION & AUTHORITY

- 1.1 The Staffing, Salaries & Nominations Committee (the Committee) is set up by resolution of the Board of Management (the Board) and under its direct authority. The Committee is authorised to review and to make recommendation only in respect of staff remuneration, senior appointments and their related terms. The final decision in all such matters is reserved to the Board.

2. PURPOSE

- 2.1 To consider the terms and conditions of employment of:
- a) the Chief Executive;
 - b) where not delegated to the Chief Executive under Rule 16.7, senior management and operational staff;
- and their remuneration and to objectively review these on a regular basis, at least annually and in sufficient time to enable the Board to set budgets for the following financial year, and to make recommendation to the Board accordingly.
- 2.2 To consider:
- a) as required, the terms and conditions of employment of members of the Board;
 - b) annually, the constitution, balance of skills, experience, independence and knowledge of the Board; and
 - c) to ensure timely succession planning is in place.
- 2.3 When instructed by the Board, to consider nominations for appointment to the Board and to conduct the process whereby prospective Non-executive Board members are selected and, following appointment in accordance with the Society's Rules to oversee their induction process(es).
- 2.4 To consider the terms and conditions of employment of other staff members as required, and to objectively review their salary, at least annually and in sufficient time to enable the Board to set budgets for the following financial year, and to make recommendation to the Board accordingly.

3. MEMBERSHIP

- 3.1 Subject to Board approval, the Committee will comprise of three non-executive members of the Board one of which is to be appointed the Chair of the Committee. At least two members of the Committee must be adjudged independent. The Chair of the Board may be a member of the Committee but must meet the criteria for independence at all times and may not also be Chair of the Committee. The Chief Executive and Finance & Commercial Manager will attend meetings in an advisory capacity and will withdraw, at the request of the chair of the meeting and when consideration of their own remuneration or contract is to be considered. If not elected to the Committee the Chair of the Board will attend as an objective appeal. No member of the Committee is to be present when matters directly pertaining to them are discussed (as opposed to matters pertaining to all Non-executive Board members as a group). A quorum shall be three meeting attendees, of which two must be non-executive members of the Board and of the Committee.

4. MEETINGS

- 4.1 Meetings shall take place against a pre-determined timetable, at least twice per year, normally in May and November. Apart from other agenda items to be agreed from time to time, the November meeting is to consider and make recommendation regarding remuneration to be paid during the following year, and the May meeting is to consider the composition and skills mix of the Board and Board Committees. Meetings in respect of Nominations will take place as required.
- 4.2 The Chair may convene additional meetings as required. Any member of the Board of Management can request an interim report at any time and can attend any meeting.
- 4.3 Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to all attendees no later than three working days before the date of the meeting. Supporting papers shall also be made available to all attendees at the same time, unless they personally relate to the attendee.

5. ROLE & RESPONSIBILITIES

5.1 The duties and responsibilities of the Committee are as follows:-

5.2 “Remuneration” is deemed to include all aspects of remuneration including, without limitation, salary, annual and long term bonus, benefits in kind and pension entitlements.

- a) Appointing external advisers as necessary for the Committee to carry out its duties and agreeing the terms of such appointments including the remuneration of the appointees.
- b) Taking due regard of Society Rule 13, reviewing and recommending the remuneration of the Board and the terms of engagement of individual Non-executive Board members.
- c) Taking due regard of Society Rule 16, reviewing and recommending the remuneration of the Chief Executive and the terms of his contract of service.
- d) If the role of Secretary does not rest with the Chief Executive, the Committee will ensure that a separate and appropriate Terms of Reference is in place.
- e) Taking due regard of Society Rule 16, reviewing and recommending the remuneration and employment terms under which senior employees are appointed.
- f) Reviewing and reporting to Board annually on, the composition, skills and effectiveness of the Board and to ensure suitable and timely succession planning is in place.
- g) To determine targets for any performance-related pay schemes operated by the Board. For Executive Directors the Committee will ensure that the provisions of the Combined Governance Code (the CGC) are met.
- h) Considering and approving staff pay reviews, if within agreed budget.
- i) Reviewing the remuneration of all staff each year and recommending salary levels to the Board in sufficient time to enable it to set budgets for the following financial year.
- j) On recommendation from the Chief Executive agreeing the terms and remuneration under which junior staff are appointed or promoted.
- k) Dealing with staff matters referred by the Chief Executive.
- l) Dealing with staff grievances or disciplinary matters in accordance with the Society’s relevant procedures.
- m) To advise on employee benefit structures and any changes thereto.
- n) Ensuring contractual arrangements for termination of employment, and any related payments made, are fair both to the individual concerned and to the Society.
- o) Establishing the selection criteria, selecting, appointing and setting the terms of reference of any external consultants who advise the Committee and the Board.
- p) Agreeing the policy for authorising claims for expenses from the Chief Executive.
- q) Ensuring that provisions are met regarding:
 - i. the disclosure of remuneration as set out in the CGC and
 - ii. reporting the frequency of and attendance by members at meetings of the Board and Board Committees in the Society’s annual Financial Statements.
 - iii. the discussion, assessment, and recording of staff Conduct Rules breaches to enable regulatory reporting within prescribed timescales.
- r) Reviewing the Employee Handbook and ensuring it remains fit for purpose.
- s) Reviewing the appropriateness of Senior Society role descriptions, annually, in advance of Board ratification.