



Composition: The Committee shall comprise a minimum of 2 Non-Executive Directors to be appointed by the Board together with the HR Advisor to the Board. The Board shall appoint one of the non Executive members to be chair. At the request of the committee the Chief Executive and Executive Secretary shall be in attendance.

Meetings: Meetings shall be held in January, March, July and November and at any other appropriate time as required at the request of any member of the Committee or the Board.

Quorum: Two members of the committee at a duly convened meeting shall be a Quorum.

Minutes: Minutes shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.

Reporting: The Chair of the Committee shall be responsible for ensuring effective communication with the Board and with other Committees of the Board

Purpose & Responsibilities

The Committee’s key purpose is to ensure that the Group has the appropriate human resources and support mechanisms in place, noting in particular remuneration policy, succession plan and recruitment controls to facilitate achievement of the Strategic Plan as approved by the Board

- To determine and recommend to the Board the appropriate structure, size and composition of the Board and its sub Committees, in order to maintain appropriate diversity of skills, knowledge and experience.
- To ensure the relevant principles of Corporate Governance contained in the Combined Code (and any best practice guidance) are taken into account in so far as they are relevant to the Society.
- To instigate recruitment of new Directors, taking account of the specific skills, knowledge and experience required. Consider nominations and assess candidates for appointment based on objective criteria. Make a recommendation to the Board and ensure records are retained as to why the candidate was considered most suitable.
- To review performance appraisals of Directors and assessments of Board and Committees. Ensure that appropriate training and development opportunities are made available to the Society’s Directors, to enable them to develop skills and competencies to meet the Society’s current needs and future opportunities. Make recommendations to the Board regarding re-appointment or replacement of Directors.

- To instigate an independent review of Board effectiveness at least every three years.
- To review and approve recommendations from the Chief Executive regarding structure, role profiles or contracts of the Executive Team to ensure that the Society has appropriate resources to achieve its business objectives.
- To review and approve recommendations from the Chief Executive regarding Executive and overall staff remuneration (e.g. pay and benefits) such that the Society attracts and retains individuals of sufficient calibre for its continued wellbeing.
- To maintain a plan for orderly succession of Directors and Senior Managers and review at least annually.
- To review and approve the Group Remuneration Policy at least annually. Non-Executive Directors' remuneration, in particular the rate to be paid to such Directors in accordance with Rule 19, which must not exceed 2.5 times the annual salary of the lowest paid full time clerical worker in the Society as at the first day of each Financial Year.
- To review and recommend to the Board the annual compensation plan for all staff of the Group, including pension contributions and any bonus proposals. This is to include a review of comparative market data. Where necessary, the Committee to undertake independent job evaluation to ensure rate of pay is fair and reflective of the market.
- To review and approve recommendations from the Chief Executive on any performance related pay scheme; any award under such a scheme; and overall staff pay rises.
- To consider Director's interests at least on an annual basis and arbitrate on any conflicts of interest should they arise on the Board.
- To review with the Executive annually the findings of relevant Staff surveys and to consider these in relation to staff remuneration policies, including in particular any bonus or incentive payments.

Authority

The Committee is authorised by the Board to:

- Carry out any activity within its terms of reference; and
- Obtain outside legal or independent professional advice and such advisors may attend meetings as necessary.

Reporting

- A summary of Key Decisions will be submitted to the Board after each meeting.
- Significant matters will be reported directly to the Board outside of meetings if required.

Annual Review

The Committee shall conduct an annual review of its terms of reference and its effectiveness in carrying them out and report its findings to the Board.