



# CS Healthcare Remuneration Committee Terms of Reference

<b>Author</b>	James Parker, Chief Executive
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<b>Owner</b>	Gloria Craig, Remuneration Committee Chair

## 1. Role

- 1.1. The Society's Board will report to the Board on the effectiveness and appropriateness of the Society's remuneration policies for Board and Staff.

## 2. Membership

- 2.1. The Committee shall be made up of not less than three non-executive directors appointed by the Board from time to time and including the Chair of the Board and Vice Chair of the Board unless the positions are vacant.

## 3. Chair

- 3.1. The Board shall appoint one of the members of the Committee to be Chair of the Committee, on the recommendation of the Nominations Committee, and shall determine the period for which he/she is to hold office. The Chair of the Board shall not be Chair of the Committee.
- 3.2. The Chair of the Committee has responsibility for overseeing the performance of the Committee.
- 3.3. In the absence of the Chair of the Committee, and any nominated deputy, if there are sufficient members present to form a quorum they shall elect one of themselves other than the Chair of the Board to chair the meeting.
- 3.4. The Chair of the Committee shall attend the annual general meeting to answer any questions on the Committee's activities.

## 4. Secretary

- 4.1. The Company Secretary, or with the agreement of the Chair his/her nominee, shall be Secretary of the Committee unless the Committee determines otherwise.

## 5. Meetings

- 5.1. The Committee should meet as often as is required and in any case not less than 2 times a year.
- 5.2. Additional meetings may be called or the meeting timetable changed by the Chair of the Committee in consultation with members of the Committee.
- 5.3. In addition the Board may ask the Committee to meet to consider specific issues.

## **6. Quorum**

**6.1.** The Board may determine the quorum for meetings of the Committee from time to time. In the absence of any such determination, the quorum will be two.

## **7. Attendance**

**7.1.** Only members of the Committee are entitled to be present at the meetings of the Committee. Other Board members may attend all or part of a meeting with the agreement of the Chair of the Committee.

**7.2.** The Chair of the Committee shall decide if non-members should attend.

**7.3.** Members of the Senior Management Team and employees of the Society will be expected to attend as required.

**7.4.** The Committee may invite external advisors, including HR advisors and external remuneration consultants, to attend meetings where it considers this to be appropriate.

**7.5.** Attendance at meetings will usually be in person. The Chair of the Committee may agree that exceptionally a member, or an invitee, may attend some or all of the meeting by telephone or video link. The Chair of the Committee shall determine if such a member should count towards the quorum.

## **8. Notice of Meetings**

**8.1.** Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chair of the Committee.

**8.2.** Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, all other non-executive directors and any other person expected to attend no later than 5 working days before the date of the meeting.

**8.3.** Supporting papers shall be forwarded to members of the Committee and to everyone attending the meeting no later than 5 working days before the meeting.

## **9. Minutes of Meetings**

**9.1.** The Secretary, or with the agreement of the Chair of the Committee his/her nominee, shall minute the proceedings, discussions and resolutions of all Committee meetings including the names of those in attendance and any declarations of conflicts of interest.

**9.2.** The Secretary shall provide the Chair of the Committee with draft minutes of a meeting within 7 working days of a meeting. Draft minutes shall be circulated to other members of the Committee within 15 working days of the meeting.

**9.3.** The Secretary shall circulate agreed minutes of the meeting of the Committee to members of the Committee and others as may from time to time be agreed by the Committee.

**9.4.** The Secretary shall circulate agreed minutes of the meeting of the Committee to the Board unless in the opinion of the Committee Chair it would be inappropriate to do so.

**9.5.** Final minutes of the meetings of the Committee, signed by the Chair of the Committee, should be maintained for the Society's records.

## **10. Conduct of Business.**

- 10.1.** The Chair of the Committee shall submit a verbal report, normally based on previously circulated minutes, at the next meeting of the Board following each Committee meeting, and at other times as appropriate.
- 10.2.** The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required.
- 10.3.** The Committee shall produce a report to be included in the Society's annual report about its' activities and shall ensure that regulatory provisions relating to disclosure of information regarding remuneration of directors are fulfilled. Where an external remuneration consultancy has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Society.

## **11. Responsibilities**

- 11.1.** To annually review and approve the staff remuneration policy.
- 11.2.** To annually review and advise the Board on the Board remuneration policy.
- 11.3.** To review and approve at least annually the remuneration package for the CEO, the executive directors and the Chief Risk Officer, taking account of all elements of each remuneration package including, but not limited to, salary, bonus, car allowance and pension, and with regard to the staff remuneration policy.
- 11.4.** To review and approve the financial parameters for the annual staff pay review and discretionary annual bonus and the principles to be followed in their implementation.
- 11.5.** To review and approve the discretionary annual bonus for the CEO, the executive directors and the Chief Risk Officer.
- 11.6.** To review and make recommendations at least annually to the Board on non-executive remuneration including additional remuneration for the roles of Chair, Vice-Chair, Chair of Committee, Senior Independent Director, Whistleblowing Champion, membership of specific or multiple committees or such other additional remuneration for any other purpose that the Committee sees fit.
- 11.7.** To make recommendations to the Board on the remuneration and contractual terms for new appointments to the Board, as Chief Risk Officer or to any comparable position within the Society.
- 11.8.** To obtain reliable, up-to-date information about remuneration in other organisations of comparable scale and complexity as required for the execution of the Committee's responsibilities.
- 11.9.** To ensure contractual terms on termination for CEO, the executive directors and the Chief Risk Officer, and any payments made, are fair to the individual, and the Society, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 11.10.** To oversee and approve any major changes in the Society's employee benefit structures.
- 11.11.** To agree the policy for authorising claims for expenses from the directors.
- 11.12.** To select and engage suitable external remuneration consultants as deemed appropriate by the Committee in support of any aspect of its work .

## **12. Annual Review**

- 12.1.** The Chair of the Committee shall conduct an annual review of the appropriateness of the Committee's terms of reference and of the Committee's performance. After consideration by the Committee the results of that review shall be presented to the Board.

## **13. Authority**

- 13.1.** The Remuneration Committee is a Committee of the Board with the authority, powers and responsibilities set out in the Society's Rules and in these terms of reference.
- 13.2.** The Committee shall have access to sufficient resources in order to carry out its duties.
- 13.3.** The Committee shall be provided with appropriate and timely training including an induction programme for new members and ongoing training for all members.
- 13.4.** The Committee may take independent legal or other professional advice on any matter within its terms of reference when the Committee reasonably believes that it is necessary to do so.
- 13.5.** As and when necessary the Committee may request the attendance of a representative of a provider of services to the Society at a meeting of the Committee.