

#### **4.7.4 Remuneration Committee**

##### **Powers and Functions**

This Committee operates in line with good governance principles in comparable organisations to the Society in their duties as follows:

Proposing the salaries, remuneration policy and terms and conditions of Executive Directors

Reviewing, challenging and agreeing the salary and other remuneration of those other members of the Senior Management / Executive as specified by the whole Board, specifically including the managers in compliance and risk management.

Receiving recommendations on the fees for the roles of Chair and Deputy Chair of the Board as well as the level of fees and remuneration policy for all other Non-Executive Directors.

In addition to the above, the Committee advises the Society's Board on the cost of the overall annual pay settlement outside the Senior Management / Executive as well as the basis for the Society's performance related pay scheme. Decisions on grading and individual salaries remain the preserve of the Executive Directors (with input from the Senior Management / Executive as appropriate) whilst subject to the overall budget set in the financial forecasts approved by the Board.

At all times the Committee maintains an approach to remuneration which is appropriate for a member based organisation seeking to attract and retain those with the right skills, experience and personal approach to enable the Society to continue to achieve its objectives.

##### **Reports Received**

Actual and proposed salaries; remuneration policy and terms & conditions for Senior Management / Executives along with the cost of the annual pay settlement and performance related pay scheme are put forward by the Executive Directors

Proposed fee levels for Non-Executive Directors are put forward by the Society's Executive Directors

Comparisons for comparable organisations to the Society are provided for all the above where available, including but not limited to the BSA Chair and CEO remuneration reports

In the absence of such comparisons being freely available the Committee is able to commission specific comparison reports from time to time at the Society's expense. This would only be exercised where felt absolutely necessary to assess how the Society's remuneration paid for key roles compares in relation to those role holder's expertise, experience, overall contribution and the general marketplace.

##### **Composition**

The Committee is comprised of three Non-Executive Directors with a quorum of two Non-Executive Directors.

Executive Directors may raise any relevant matter with the Committee at any time and attend meetings of the Committee but must withdraw before decisions are made by the Committee and must not be involved in any discussion about any aspect of their own salaries; remuneration policy and terms and conditions.

The Chair of the Board may not be a member of the Committee.

**Ratification**

The decisions of the Committee are recorded in its minutes. Their recommendations are subject to ratification only by those Board members not experiencing a conflict of interest in that decision.

The Director's remuneration report is proposed for approval by annual vote by the Society's members at the Annual General Meeting.

**Frequency of Meetings**

The Committee will meet as required and at least annually, usually in October, prior to the finalisation of the Society's corporate plan and future financial forecasts.