

Remuneration Committee Remit

| Review Date | Key Updates Made | Reviewed By |
|------------------|--|-------------|
| 15 December 2020 | Draft Remit agreed. | Board |
| 24 May 2022 | Independence of Chair / Ability to seek counsel. | Board |

1 OVERALL, PURPOSE

- 1.1 The key role and function of the Remuneration Committee is to assist the Board in developing and administering a fair and transparent procedure. Remuneration committees should consist exclusively of non-executive directors. Their purpose is to provide an independent basis for setting the salary levels and the rules of executive directors.
- 1.2 The Board hereby established a Committee to be known as the Remuneration Committee (The Committee). The Committee is a non-executive Committee of the Board, which determines its Membership and Remit.
- 1.3 The Remuneration Committee's primary aim is to approve the appropriate remuneration and terms of service for the Chief Executive and Directors, as determined by the Society Board.

2 AUTHORITY

- 2.1 The Board authorises the Committee, within the scope of its responsibilities, to seek any information it requires to perform its duties.

Obtain, at the Company's expense, outside legal or professional advice on any matters within its terms of reference and report these findings to the Board.
- 2.2 The Committee will use its skills along with support from an appropriate executive member or designated lead officer, appointed by the Board to support the Remuneration Committee to fulfil its remit and report back to the main board all outcomes and recommendations for approval.

3 ORGANISATION

3.1 Membership

- 3.1.1 The Main Board will appoint the membership of the committee on an annual basis, and this shall be done in consultation with the current acting Chair of the Remuneration Committee.
- 3.1.2 The Board will appoint the Chair of the Committee and determine the period for which he/she will hold office. The Chair of the Society shall not be eligible to be appointed as Chair of the Committee.
- 3.1.3 To be transparent, the chair of the committee will not hold the position of chair of any other Albyn committees and will remain independent.
- 3.1.4 The Committee will comprise of not less than three Board members, including the Chair of the Committee.
- 3.1.5 The quorum for any meeting will be two.
- 3.1.6 In the absence of the Committee Chair, any other member may function as Chair except a chair of any of the other committees.

3.2 Meetings

- 3.2.1 Meetings shall be held at least once a year. Special meetings may be convened as required for example for recruitment or other business that would fall within the remit of the committee.
- 3.2.2 The Committee may invite such other person to its meetings as it deems necessary, but no person other than the members of the committee shall have a right of attendance.
- 3.3.3 Meetings shall be called by the Chair or an appointed Secretary of the Committee at the request of any Committee Members. Notice shall be forwarded to each Member of the Committee, and any other person required at least one week before the date of the meeting. Supporting papers shall be sent to the Committee members and other attendees as appropriate, at the same time.
- 3.3.4 The proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance, will be minuted and circulated promptly to all members of the Committee.
- 3.3.5 No Committee attendee shall participate in any discussion or decision on their own remuneration.
- 3.3.6 The Chair of the Committee shall attend the Annual General Meeting and be prepared to respond to any member of the Society's questions on the Committee's activities.

4 DUTIES AND RESPONSIBILITIES

- 4.1 The Committee should undertake the following:
 - 4.1.1 Recommend for approval by the Board the framework or broad policy for the remuneration of the Chief Executive and Directors.
 - 4.1.2 No employee shall be involved in any decisions as to their own remuneration. Ensure that Members of the senior management of the Company, are provided with appropriate incentive to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Society.
 - 4.1.3 Review the design of, and determine targets for, any performance or bonus schemes operated by the Society and approve the total annual payments made under such schemes within budgetary limits agreed by the Society Board.
 - 4.1.4 Review that the implementation of any contractual terms and any payments made on termination, are fair to the individual and the Society and that failure is not rewarded and that the duty to mitigate loss is fully recognised.
 - 4.1.5 When setting remuneration policy for the Chief Executive and Directors, the committee will have knowledge and have regard to the remuneration agreement for staff, that is negotiated with GMB union. This will assist the committee to make more informed decisions on remuneration of the Chief Executive and Directors and also how this sits with trends across the Sector and equivalent landlords of size and

importance within the sector.

- 4.1.6 The committee will recommend and establish the terms of reference for the appointment of any consultants regarding pay and benefits as necessary to advise the Committee on issues within its terms of reference and seek approval from the board on its recommendations.

5 REPORTING

- 5.1 The Committee shall make a high level summary report to the Board on its proceedings after each meeting and on all matters within its duties and responsibilities.

6 MONITORING AND REVIEW

- 6.1 The Committee shall once a year, review its own performance, remit to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.