

TERMS OF REFERENCE THE REMUNERATION COMMITTEE

1. Membership

- 1.1 The Committee will comprise the five longest serving non-employee directors and will be chaired by the longest serving.
- 1.2 Only members of the Committee and the Secretary have the right to attend Remuneration Committee meetings.

2. Secretary

- 2.1 The Society Secretary will act as the Secretary to the Committee except when her/his remuneration is under consideration, when the Chief Executive Officer will undertake this role.

3. Quorum

- 3.1 The quorum necessary for the transaction of any business will be three.

4. Meetings

- 4.1 The Committee will meet at least once a year and at such other times as the Committee may determine.
- 4.2 Meetings of the Committee shall be called by the Secretary at the request of its members.

5 Minutes

- 5.1 The Secretary will prepare a confidential minute of the proceedings of each Committee meeting in consultation with the Chair. These minutes are not circulated to the Board but are available to all directors at any time. The Chair of the Committee reports in full to the Board following each meeting.

6 Duties

- 6.1 Determine and agree with the Board the framework or broad policy for the remuneration of the society's Chief Executive and the Society Secretary.
- 6.2 The Committee will make recommendations to the Board on the remuneration, terms and condition of employment and any annual bonuses for the Chief Executive and the Society Secretary.
- 6.3 The Chief Executive Officer will report to the Committee annually on her/his approach and conclusions regarding the remuneration of the Senior Management Team (excluding the Secretary).

6.4 Agree the policy for authorising claims for expenses from the Chief Executive and Society Secretary.

7 Reporting

7.1 The Committee will produce an annual report as part of the Society's annual report to members.

7.2 The Chair of the Committee or a nominated deputy will attend the Society's AGM and be prepared to respond to members' questions on the Committee's activities.

8. External Professional Advice

8.1 The Committee will be expected to obtain external professional advice at the Society's expense before deciding on any recommendations it will make to the Board.