

Principality Building Society
Terms of Reference
Non-Executive Remuneration Committee

1. Main Purpose:

The role of the Non-Executive Remuneration Committee is to set and review Non-Executive Director fees ensuring that these are appropriate to attract and retain high quality individuals.

The Committee shall ensure that incentives, performance management frameworks and remuneration structures are designed in a way that is consistent with ensuring good outcomes for customers.

Throughout its activities, the Committee shall consider the general obligation to ensure customers are getting fair value and good outcomes in everything it does (Consumer Duty – Principle 12).

2 Membership:

Members of the Committee are appointed by the Board, upon the recommendation of the Governance and Nominations Committee and in consultation with the Chair of the Committee.

The Committee comprises:

The Chief Executive Officer (Chair)
The Chair of the Board
The Chief Governance Officer
The Chief People Officer

In the absence of the Committee Chair at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

The Chief Governance Officer or nominee will act as Secretary to the Committee.

3 Quorum:

Three members.

4 Attendance:

Other colleagues may be invited to attend all or part of any meeting, as and when appropriate and necessary.

5 Frequency:

This Committee will meet at least annually or on a more frequent basis as agreed by the Chair of the Committee.

6 Committee Functions:

To review the fees paid to the Non-executive Directors within the terms of the Society's Rules and to make recommendations to and seek approval from the Board for any changes to such fees.

7 Reporting to the Committee:

The Committee may obtain such information as it considers necessary from any employee or officer of the Society and may obtain legal or other professional advice as it considers necessary.

The Secretary of the Committee shall circulate the agenda and papers for each meeting of the Committee no less than five working days in advance of the relevant meeting.

8 Reporting from the Committee:

The Committee shall report to the Board, at least, annually on the outcome of its review of Non-Executive Director fees, explaining how its conclusions have been arrived at.

9 Annual General Meeting

The Chair of the Committee shall attend the annual general meeting to answer member questions on the Committee's activities.