

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE OF SALIX FINANCE LTD

The Board has established a Remuneration Committee to make final recommendations to, and make decisions on behalf of, the Board on all aspects of remuneration for The Executive and setting the salary of the Chief Executive and other members of the Executive.

1. MEMBERSHIP

- The members of the Remuneration Committee are non-executive Board members appointed to Salix following an open and transparent Public Appointments process and their decisions are made in accordance with Civil Service Pay policies and other relevant controls.
- The Committee will be chaired by a non-executive director appointed by the Chair of the Salix Board.
- The Committee may be provided with a secretariat function by the Governance team or a nominee.
- All appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for a further period of up to three years; and
- Only members of the Committee have the right to attend Committee meetings. However, the following must be invited to attend meetings of the Committee:
 - Chief Executive/Accounting Officer, when discussing any matter in respect of the Executive
 - Director of Human Resources, when discussing and remuneration in respect of the Chief Executive

The Committee may request the Chief Executive to arrange for other members of staff to attend if their attendance is relevant to the business of the Committee

- The Committee will comprise a minimum of two NED members.

2. REPORTING

- Proceedings of the Committee are strictly confidential. A confidential note will be taken of decisions made and stored securely. The Board Chair will be apprised of proceedings by the Chair of the Remuneration Committee, and, where appropriate, other parties not present at the meetings.

3. RESPONSIBILITIES

The responsibilities of the committee include:

- Setting the overall remuneration policy of the company in respect of the Chief Executive and the Executive consistent with the Civil Service Pay Remit. The

Committee will keep the policy and any related policies under review to ensure they remain fit for purpose.

- Setting the salary for Chief Executive and the Executive Directors consistent with senior civil service pay guidance.
- Agreeing any/all annual award (referred to as a performance award) for the Chief Executive and the Executive Directors.
- In respect of the annual award for the Chief Executive the Committee will require a report from the Chair of the Salix Board.
- In respect of annual awards for the Executive the Committee will require a report from the Chief Executive.

4. MEETINGS

- The Committee will meet at least twice a year. The Chair may convene additional meetings as necessary at the request of the Board or the Chief Executive/ Accounting Officer.
- A minimum of two members will be present for the meeting to be deemed quorate.
- The Committee may ask the Chief Executive to arrange for other members of staff to attend their Meetings, to assist it with its discussions on any particular matter. The Committee may also request the Chief Executive to engage specialist advice where appropriate.
- The Committee Chair may ask any of the staff who normally attend to withdraw from the meeting to facilitate open and frank discussion of particular matters.
- The Committee will receive all documentation issued by BEIS in respect of guidance or Cabinet Office Controls in respect of pay and remuneration of Executive.
- It is the responsibility of the Accounting Officer to advise the Committee of any relevant Control that must be followed.

5. REVIEW

- The Committee will review its own effectiveness on an annual basis and report this to the Chair of the Salix Board.
- These Terms of Reference are to be reviewed annually or earlier in the event of relevant legal, regulatory or operational change (last reviewed December 2022).