

Salix Finance Ltd

Terms of Reference – People and Remuneration Committee

Document type	Terms of Reference
Purpose	Sets out how the People & Remuneration Committee operates, its role and its responsibilities.
Audience	All staff, Directors and external parties.
Data classification	For internal and external use.
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TERMS OF REFERENCE FOR THE PEOPLE AND REMUNERATION COMMITTEE OF SALIX FINANCE LTD

The Board of Salix Finance Ltd has established a People and 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. The Committee will also provide guidance to the Board on people, strategy and culture.

1. MEMBERSHIP

- The members of the People and Remuneration Committee are non-executive Board members appointed to Salix following an open and transparent Public Appointments process, though this requirement may be relaxed for an interim appointment, 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 will comprise a minimum of two non-executive director members of the Salix Board.
- The Committee may be provided with a secretariat function by the Governance team or a nominee.
- Full 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 should be invited to attend meetings of the Committee:
 - Chief Executive/Accounting Officer, particularly when discussing any matter in respect of the Executive
 - Director of Organisation Design and People or Director of Human Resources, particularly when discussing 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

2. REPORTING

- Proceedings of the Committee are strictly confidential. A confidential note will be taken of decisions made and stored securely.
- A summary of proceedings at meetings (to the extent appropriate) will be reported by the chair to the next sitting meeting of the Board.

3. RESPONSIBILITIES

The responsibilities of the Committee are:

- Set and approve the remuneration for the Chief Executive consistent with senior civil service pay guidance.
- Approve the pay range and annual increments for the Executive Directors consistent with senior civil service pay guidance.
- Approve any/all annual awards (referred to as a performance award) for the Chief Executive and the Executive Directors consistent with senior civil service pay guidance. The Committee will require reports in respect of the annual awards for the:
 - i) Chief Executive from the Chair of the Salix Board; and
 - ii) Executive from the Chief Executive.
- Approve exit packages and any special payments for the Chief Executive and the Executive Directors subject to Annex 4.13 of Managing Public Money and Guidance on Public Sector Exit Payments.
- Assist DESNZ in its recruitment of Board members by considering the skills needed for the Board and committees and advising accordingly.
- Approve the Civil Service Pay Remit (CSPR) submission to DESNZ and play an advisory role in the CSPR process for all staff.
- Approve the yearly Non-Consolidated pay award for staff.
- Review, provide guidance and monitor progress with respect to people strategies and plans at Salix.
- Seek assurance with respect to core people policies and succession planning at Salix.
- Advise the Executive and the Board on strategic people and culture related issues.

4. MEETINGS

- The Committee will meet at least twice a year. The Chair of the Committee 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 Board Chair may nominate a Non-Executive Board member to deputise if a Committee member is unable to attend.

- Where business may need to be conducted outside the meeting cycle as a matter of urgency e.g. by way of correspondence, any decision taken will be formally ratified at the next meeting.
- The Committee may 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.
- A Schedule of Business for each financial year will be presented for the Committee's approval at the preceding autumn meeting.
- The Committee will receive documentation that is relevant to assist its decision-making in respect of pay and remuneration of the Executive.
- The Committee will receive documents that will assist its advisory function as may be relevant including key performance indicators, progress reports against people strategy targets, benchmarking etc.
- 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 and produce a formal report to the Chair of the Salix Board at least every two years.
- These Terms of Reference are to be reviewed bi-annually or earlier in the event of relevant legal, regulatory or operational change (last reviewed September 2025).