



## TERMS OF REFERENCE

### Recruitment and Remuneration Committee

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## THE CHANNEL ISLANDS CO-OPERATIVE SOCIETY LIMITED

### RECRUITMENT AND REMUNERATION COMMITTEE TERMS OF REFERENCE

Approved by the Board of Directors on 8 September 2022 and revised 20 February 2024

#### 1. MEMBERSHIP

The Recruitment and Remuneration Committee (the “**Committee**”) comprises at least three (3) elected or co-opted non-executive directors. Members of the Committee shall be appointed by the Board.

Members need to have appropriate knowledge, skills and expertise to fully understand recruitment and remuneration matters and at least one (1) member shall have recent and relevant experience of recruitment and remuneration matters. The Chair of the board cannot be a member of the Committee. No director who is a current colleague of the Society or a superannuated colleague who has retired from the Society in the last three (3) years shall serve on the Committee.

Appointments are for a period of one (1) year. Any member who becomes the Chair can automatically no longer be a member of the Committee.

Only members of the Committee have the right to attend Committee meetings. However, the Chair, members of the Executive Leadership Team and other individuals may be invited to attend all or part of any meeting as and when appropriate.

The Chief People Officer has a standing invite to attend Committee meetings however does not form part of the Committee.

The Board appoints the Committee Chair. If the Committee Chair is not present for a meeting, the other Committee members will elect one of themselves to chair the meeting.

In addition to the normal responsibilities and duties of the Committee Chair as set out in these terms of reference, it is the responsibility of the Committee Chair to maintain an informal dialogue with key individuals relevant to the work of the Committee, in particular the Chair and members of the Executive Leadership Team.

#### 2. SECRETARY

The Society Secretary, or their nominee, acts as the Secretary of the Committee and ensures that members receive information and papers in a timely manner to enable full and proper consideration to be given to issues.

#### 3. QUORUM

Two (2) is the minimum number of Committee members that need to be present for the transaction of business.

#### **4. MEETINGS**

The Committee meets at least three times a year and otherwise as required.

#### **5. NOTICE OF MEETINGS**

Committee meetings are arranged by the Society Secretary at the request of the Committee Chair or any of its members.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, will be forwarded to each member of the Committee and anyone invited to attend no later than five (5) working days before the date of the meeting. Supporting papers will be sent to Committee members and to other attendees, as appropriate, at the same time.

The Committee papers and minutes will be made available to all members of the Board of Directors of the Society.

#### **6. MINUTES OF THE MEETINGS**

The Society Secretary will minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.

Draft minutes of Committee meetings will be promptly circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and included in the next Committee papers.

#### **7. DUTIES**

The Committee has the main duty of overseeing for the Board:

- a) the Society's arrangements with regard to resourcing and talent management, including:
  - (i) recruitment, retention, succession planning;
  - (ii) remuneration, motivation, recognition, reward; and
  - (iii) organisational structure and all expenses policies;
- b) any matters it considers necessary to oversee in order to advise the Board properly in relation to the duties set out above.

The Committee has the duty of reporting to the Board any matter on which it remains unsatisfied.

##### **7.1 Resourcing and Talent Management**

The Committee shall monitor and review the Society's resourcing and talent management policy to ensure the development and maintenance of a sustainable organisational structure capable of supporting the Society's Business Plans and Strategic Vision, in accordance with Co-operative Values.

##### **7.2 Remuneration Policy**

- (i) The Committee shall monitor and review the Society's Remuneration Policy, including the policy relating to pension provision, to ensure that the Society's remuneration is sufficient to attract, motivate and retain directors, executive leadership team ("ELT"), senior leadership team ("SLT") and colleagues of the appropriate calibre, whilst not being excessive. The Committee's responsibility in relation to remuneration shall extend to reviewing the application of all aspects of the Society's Remuneration Policy but with particular reference to its application to members of ELT and SLT, including their terms and conditions of employment, and their remuneration, the employer's pension contributions they receive, and all other taxable benefits they receive.
- (ii) The Committee shall be sensitive to the need to ensure fairness within the Society's Remuneration Policy and its application, and the need to avoid rewarding failure, particularly in the context of performance-related bonuses.
- (iii) The Committee shall take due account of pay and employment conditions elsewhere in the industry, as well as the size, complexity and turnover of the business when reviewing the Society's Remuneration Policy.
- (iv) The Committee shall monitor the annual budget for colleague and associated costs and shall take advice from the Chief Financial Officer as to the affordability of the overall annual level of colleague and associated costs, including all elements of performance-related pay contained within the budget.
- (iv) The Committee shall not be responsible for, but shall have sight of, the remuneration terms and other terms and conditions of employment applying to all those colleagues of the Society, subject to collective bargaining arrangements, if any.

### 7.3 Appointment of the Chief Executive Officer, , Society Secretary and their Direct Reports

- (i) The Society's Board as a whole shall be solely responsible for the appointment or termination of the Chief Executive Officer, and the Society Secretary, including their terms of service, remuneration, pension entitlement, benefits-in-kind, and any commitments made to them on retirement or termination.
- (ii)
- (iii) Except as otherwise provided by the Board, the Chief Executive Officer and the Society Secretary shall be responsible for the selection, recruitment and remuneration of their direct reports, and the termination of their employment in each case, in accordance with the Society's resourcing and talent management policy, and Remuneration Policy in liaison with the Chief People Officer.
- (iv) The Board is responsible for the appointment of the Society's Key Persons, namely the Money Laundering Compliance Officer and Money Laundering Reporting Officer.

### 7.4 Succession Plan

The Committee shall monitor and review the Society's Succession Plan to ensure that it meets the Society's Business Plans and Strategic Vision and facilitates the development and maintenance of a sustainable organisational structure.

### 7.5 Review the Chief People Officer's Report

The Committee shall receive and review an annual report from the Chief People Officer regarding nature, operation and effectiveness of the Society's resourcing and talent management policy, including its Remuneration policy and Succession Plan.

## **8. REPORTING RESPONSIBILITIES**

The Committee Chair will report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also report to the Board on how it has discharged its responsibilities.

The Committee will compile a report on its activities to be included in the Society's annual report.

## **9. OTHER MATTERS**

The Committee will:

- a) Have access to sufficient resources in order to carry out its duties, including access to the Society Secretary's support team for advice and assistance as required;
- b) Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- c) Give due consideration to all relevant laws and regulations applicable to the Society;
- d) Oversee any investigation of activities which are within its terms of reference;
- e) Work and liaise as necessary with all other Board Committees, ensuring interaction between Committees and with the Board is reviewed regularly, taking particular account of the impact of risk management and internal controls being delegated to different Committees
- f) Ensure that a periodic evaluation of the Committee's performance is carried out; and
- g) At least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **10. AUTHORITY**

The Committee is authorised by the Board to:

- a) Investigate any activity within its terms of reference;
- b) Obtain any information it requires from any colleague in order to perform its duties;
- c) Obtain, at the Society's expense, independent legal, accounting or other professional advice on any matter if it believes it necessary to do so;
- d) Call any colleague to be questioned at a meeting of the Committee as and when required.
- e) In the event that there are any issues that cannot be resolved between:
  - i. the members of the Committee, the matter shall be referred to the Board for resolution; and/or

- ii. the Committee and the Board, the Board may refer the matter to the Society's Members in its annual report and accounts.