

Andium Homes Remuneration and People Committee

Terms of Reference

Glossary

Term	Definition of Term
Chair	Board Chairperson.
Board	Chair, Non-Executive Directors & Executive Directors.
Committee	The Remuneration and People Committee. July 2021: Jason Laity, Jonathan Day & Richard McCarthy
Committee Chair	Remuneration and People Committee Chairperson. July 2021: Jason Laity
Non-Executive Directors	Board Members excluding The Chair and Executive Directors.
Executive Directors	Chief Executive & Finance Director.
Executive Team	Chief Executive, Finance Director, Executive Lead – Operations, Executive Lead – Client Services, Executive Lead – Digital & Strategy
Senior Management	Executive Team excluding Executive Directors, including Company Secretary.

1. Membership

- 1.1. The Committee shall comprise at least two members, all of whom shall be independent non-executive directors. The Chair of the Board may also serve on the Committee as an additional member if they were considered independent on appointment as chair.
- 1.2. Appointments to the Committee are made by the Board on the recommendation of the nomination committee and in consultation with the chair of the Committee and shall be for a period of up to three years which may be extended for up to two additional three-year periods, provided members (other than the Chair, if they are a member of the committee) continue to be independent.
- 1.3. Only members of the Committee have the right to attend committee meetings. However, other individuals such as the Chief Executive, the Finance Director, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.4. The Board shall appoint the Committee Chair who shall be an independent Non-Executive Director who should have served on a remuneration committee for at least 12 months. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Board shall not be Chair of the Committee.

2. Secretary

2.1. The Company Secretary or their nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. Quorum

3.1. The quorum necessary for the transaction of business shall be two.

4. Meetings

4.1. The Committee shall meet at least twice a year and otherwise as required.

5. Notice of meetings

5.1. Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair or any of its members.

5.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees, as appropriate, at the same time.

6. Minutes of meetings

6.1. The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

6.2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chair it would be inappropriate to do so.

7. Duties

7.1. The Committee will:

7.2. Determine the Company's Remuneration Policy "The Remuneration Policy".

7.3. In determining the Remuneration Policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance. The objective of the Remuneration Policy for Executive Directors and Senior Management shall be to attract, retain and motivate Executive Directors and Senior Management of the quality required to run the company successfully without paying more than is necessary, having regard to views of the Guarantor and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long strategic term goals.

7.4. When setting Remuneration Policy for Executive Directors and Senior Management, review and have regard to pay and employment conditions across the company and external market, especially when determining annual salary increases.

7.5. Review the on-going appropriateness and relevance of the Remuneration Policy for Executive Directors and Senior Management and for the organisation as a whole.

- 7.6. Determine the policy for, and scope of, pension arrangements and other benefits for each Executive Director and Senior Management and for the organisation as a whole.
- 7.7. Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity.
- 7.8. Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 7.9. Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 7.10. Through the Chair of the Board, ensure that the Company complies with the Memorandum of Understanding with the Guarantor in relation to remuneration.
- 7.11. Receive reports from the Head of HR on matters concerning HR policy and practice on a regular basis and take such matters to the Board as the Head HR and the Committee shall consider necessary, including but not limited to any material employee relations issues and the development of HR policies and practices to ensure they are fit for purpose and enable the Company to attract, develop and retain employees to meet its purpose and future plans.
- 7.12. In conjunction with the Head of HR, review Company remuneration and related policies and the alignment with Company culture and strategic objectives and take those into account when setting the Remuneration Policy.
- 7.13. In conjunction with the Head of HR oversee any major changes in employee reward structures operated by the Company.
- 7.14. Agree the policy for authorising claims for expenses from the Board.
- 7.15. Work and liaise as necessary with other board committees, ensuring the interaction between committees and with the Board is reviewed regularly.
- 7.16. Ensure that the Company's Pay and Bonus awards are processed in line with the terms and conditions outlined above and those within the company's Remuneration Policy.
- 7.17. Ensure that any pay awards for the Chair, Non-Executive Directors, Executive Directors and Senior Management are proposed and approved by the designated parties as outlined in the table below.

Pay

Level	Level	Proposal	Approval
Chair	Individual pay	REMCO Committee & CEO	Guarantor
Non- Executive Directors	Group pay	Chair & CEO	Guarantor

Executive Director CEO	Individual pay	Chair & REMCO	Board (excluding Executive Directors) & Guarantor
Executive Director FD	Individual pay	Chair & REMCO & CEO	Board (excluding Executive Directors) & Guarantor
Senior Management	Individual pay	Executive Directors	REMCO

7.18. Ensure that any potential discretionary Bonus awards for Executive Directors and Senior Management are proposed and approved by the designated parties as outlined in the table below.

Bonus

Level	Level	Proposal	Approval
Chair	Not applicable	Not applicable	Not applicable
Non- Executive Directors	Not applicable	Not applicable	Not applicable
Executive Director CEO	Individual Bonus	Chair & REMCO	Board (excluding Executive Directors) & Guarantor
Executive Director FD	Individual Bonus	Chair & REMCO & CEO	Board (excluding Executive Directors) & Guarantor
Senior Management	Individual Bonus	Executive Directors	REMCO

7.19. Review and propose Executive Directors Pay and Bonus awards to the Guarantor.

7.20. Changes to either the structure or quantum of remuneration paid to Executive Directors for their executive responsibilities in the business, including those relating to bonus payments, are to be approved by the Guarantor in advance of them taking effect.

7.21. Review and determine individual Senior Management annual salary increases

7.22. Review and determine individual Senior Management discretionary bonus awards.

7.23. The Guarantor will determine the remuneration of the Non-Executive Directors within the limits set in the Articles of Association, although the Committee may submit a request or recommendation as it considers appropriate.

7.24. The Committee will review and determine the overall annual pay increase percentage for all other Colleagues, which will be applied to individual colleagues in accordance with the company Remuneration Policy.

7.25. No individual shall be involved in any decisions as to their own remuneration.

8. Reporting responsibilities

- 8.1. The Committee Chair shall report to the Board on its proceedings after each meeting on the nature and content of its discussion, recommendations and action to be taken.
- 8.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for Board discussion when necessary.
- 8.3. The Committee shall provide a description of its work in the annual report.
- 8.4. The Committee shall also ensure that provisions regarding disclosure of information as set out in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the Code are fulfilled, and that a report on the directors' remuneration policy and practices is included in the company's annual report and put to shareholders for approval at the AGM as necessary.
- 8.5. If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.

9. Other matters

- 9.1. The Committee shall:
 - 9.2. Have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required.
 - 9.3. Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
 - 9.4. Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors including but not limited to the provisions of the UK Corporate Governance Code and any other applicable requirements, as appropriate.
 - 9.5. Ensure that a periodic evaluation of the committee's own performance is carried out.
 - 9.6. 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

- 10.1. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the company but within any budgetary restraints imposed by the Board.
- 10.2. The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.