

Saffron Building Society
Terms of Reference
Remuneration and People Committee

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1. Purpose, Scope and Authority

The Board has established a committee known as the Remuneration and People Committee (“the Committee”), to assist it in fulfilling its oversight and governance responsibilities on aspects of and policies associated with remuneration, organisation effectiveness, culture, and people strategies.

The Committee sets and monitors the level and structure of remuneration, including pension rights and any compensation payments for the Chair, all Executive Directors, and other Remuneration Code staff in line with the UK Corporate Governance Code and the PRA Remuneration Code.

This Committee’s remit covers Saffron Building Society, comprising of Saffron Building Society and its subsidiary companies including Crocus Home Loans Limited and Saffron Mortgage Finders Limited and will carry out its responsibilities for the parent entity, major subsidiary undertakings, and the group, as appropriate.

2. Membership

Role	Status	Deputy
Non-Executive Director	Chair	N/A
Non-Executive Directors x3	Members	N/A
Chief Executive Officer	Non-voting attendee	N/A
Chief People Officer	Non-voting attendee	N/A

The Chair of the Committee shall be a Non-Executive Director, as appointed by the Board.

The Committee shall comprise a minimum of three members.

Only members of the Committee have the right to attend Committee meetings. However, anyone can be invited to attend all or part of any meeting as and when appropriate.

No Director, Executive or senior manager shall be involved in any decisions as to their own remuneration outcome.

3. Secretary

The Board 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 issues.

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

Draft minutes of committee meetings shall be circulated by the secretary to all members of the Committee.

4. Quorum

Meetings of the Committee shall be quorate where attended by a minimum of three members.

5. Meetings

5.1 Frequency of Meetings

Meetings shall be held on a minimum of three times a year.

5.2 Notice of Meetings

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 and any other person required to attend with best endeavours of five working days before the date of the meeting but a minimum of three days. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

6. Rapid Decision Protocol

The purpose of the Rapid Decision Protocol is to facilitate decision making outside of the scheduled meetings. Any use of the Rapid Decision Protocol must be agreed with the Chair of the Committee (or in their absence, the Deputy Chair) prior to its use, and circulated by the Committee Secretary (or in their absence, a nominated deputy). Quorum requirements detailed above apply to any decisions with members, either meeting in person, by telephone conference or responding via email.

Any decisions or approvals made using this protocol are to be submitted to the next scheduled Committee meeting, accompanied by a summary of events and the final decision, for inclusion in the minutes.

7. Approvals and Responsibilities

7.1 Approvals

The following documents are submitted to the Committee for approval at the prescribed frequency.

Responsibility	Details
PRA Remuneration Policy Statement	The Committee will review and approve the policy statement at least annually, including reviewing the ongoing appropriateness and relevance of the policy and the roles designated as Material Risk takers.
Director or connected persons loans	The Committee will review and approve any requests for loans. A person connected to a Director is defined as the Director's spouse, child or stepchild. A body corporate within which the Director is associated or a trustee acting for any of the above

	including that Director (reference to a child or stepchild does not include any child over the age of 18 years). It is the responsibility of the Committee to review the terms of a loan including any legal advice to ensure the loan is within the 1986 Act and consider any special conditions. The loan will fall within the 1986 Act requirements provided that the terms of the loan are not more favourable than the terms available to persons generally and/or there is no substantial advantage gained by a director.
Annual Report and disclosures	Approve the Remuneration Report for disclosure in the Annual Report and Accounts.
	The Committee shall approve the Annual Committee Report for the Committee which will include a description of its work in the annual report in line with the requirements of the UK Corporate Governance Code.
Chair Fee	The Committee, in conjunction with the CEO, will review the Chair of the Board's salary at least annually and make recommendations to and seek approval from the Board for any changes.
Society-Wide Remuneration, Bonus and Benefits Schemes	Review, challenge and if thought fit, approve the design of, and determine targets, for any performance related pay schemes operated by the Society and approve the annual payments made under such schemes.
	Oversee and approve any material proposed changes in employee benefits structures and value of benefits across the Society.
Remuneration for Directors and other Remuneration Code Staff.	The Committee shall have delegated responsibility for determining the policy for directors' remuneration and setting remuneration for the Society's Chair and Executive Directors and Executive Team, in accordance with the Principles and Provisions of the Code. This shall include all benefits, appointment packages, severance payments and pension contributions.
	The Committee approves bonus payments for CEO and Executives.
People Strategy	Review and approve the People Strategy, ensuring that the strategy fully supports the business plan.
Policies	Review and approve Level One policies related to People matters.

7.2 Recommendation for Approvals

The following documents are submitted to the Committee at the prescribed frequency for review and recommendation to Board for approval.

Responsibility	Details
Remuneration and People Committee Terms of Reference	Committee to review at least annually and recommend to Board for approval.

7.3 Responsibilities

Responsibility	Details
Remuneration for Directors and other Remuneration Code Staff.	The Committee sets and monitors the level and structure of remuneration, including pension rights and any compensation payments for the Chair, all Executive Directors, and other Remuneration Code staff in line with the UK Corporate Governance Code and the PRA Remuneration Code.
	Within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive, as appropriate, ensure Executive remuneration is aligned to company Society purpose and values, takes into account reward, incentives and conditions of the wider workforce, and is clearly linked to the successful delivery of the company's Society's long-term strategy, using discretion to override formulaic outcomes and to recover and/or withhold sums under appropriate specified circumstances. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of Society and individual performance, and wider circumstances.
	The Committee will ensure that Non-Executive Director (NED) pay is reviewed by the Society at least annually. The CEO will consider and make recommendations to the Chair for approval. Approvals will be tabled for noting in a Committee meeting following notification to the relevant NED's.
	The Committee shall agree the policy and process for authorising claims for expenses from the Society Chair, CEO and Directors.
	No Director, Executive or senior manager shall be involved in any decisions as to their own remuneration outcome.
Society-Wide Remuneration, Bonus and Benefits Schemes	The Committee will review and provide input into the design of Society-wide colleague remuneration, reward, and benefits policies.
	Be sensitive to the Society's financial position when reviewing recommendations for annual salary increases and bonuses.

	Undertake a review of the company pension arrangements on an annual basis.
People Strategy	Oversee the implementation of the People Strategy, monitor progress against agreed success criteria and milestones.
	Oversee the Diversity, Equity and Inclusion policy and strategy and Society practices that support culture.
	Monitor diversity reporting (including Annual Gender Pay Gap reporting and the Women in Finance Charter) and any associated actions.
Organisation Effectiveness and Culture	Consider and provide input to proposals for the society operating model, senior structures, future skill and capability requirements, succession planning, and build/buy strategies required to deliver the medium and long-term strategy and business plans.
	Oversee recommendations and actions arising from Culture and/or People related Audits and second line review.
	Monitor and review outputs from engagement surveys including themes arising from colleague feedback and associated actions that promote a positive workplace culture
	Review the annual report input from the Non-Executive Director Employee Champion.
Health and Safety	Review the annual review of Health and Safety Performance.
	Oversight of the Health and Safety Policy.
Reporting Responsibilities	The Committee Chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations, and action to be taken.
	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.
	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 Society's annual report and put to members for approval at the AGM as necessary.

	If the Committee has appointed remuneration consultants, the consultant should be identified in the annual report alongside a statement about any other connection it has with the Society or individual directors.
Committee Effectiveness	Annually review its own Committee effectiveness, skills, experience and behaviour requirements and Terms of Reference, reporting and proposing any revisions to the Board.

8. Other Matters

The Committee shall:

Have access to sufficient resources to carry out its duties, including access to the Board Secretary for advice and assistance as required.

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.

Have delegated authority from the Board to obtain external support, such as independent external legal, remuneration, or other professional advice and training as it considers necessary, at the Society's expense.

Give due consideration to all relevant laws and regulations, the provisions of the Corporate Governance Code and associated guidance and any other applicable rules, as appropriate.

9. Version History

Version	Author	Date	Notes
V1.4	Harriet Wright	16 th May 2024	New template and change to membership and quorum.
V 1.5	Harriet Wright	October 2024	Annual Review
V 2.3	Louise Wilson / Liz Raczi/ Harriet Wright	April 2025	Expansion of Scope of the Committee

10. Addendum to the Remuneration and People Committee Terms of Reference

PRA/FCA Prescribed Responsibilities	How evidenced
Prescribed Responsibility (M)	- Annual Remuneration Policy review - Annual review of Remuneration Policy Statement compliance against the code

Overseeing the development of, and implementation of the firm's remuneration policies and practices in accordance with SYSC 19D (Remuneration Code)	Annual Internal audit review of Policy compliance with the Remuneration Code
FCA Business Activities	<i>How evidenced</i>
FCA 24 – Human Resources	- Annual oversight of the People Strategy - Review performance of People based activity and provide assurance to the Board on an annual basis. - Monitor actions arising from Culture and/or People related Audits and second line review.