

REMUNERATION COMMITTEE

DEFINITIONS

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| annual report | The annual report and financial statements of the group |
| chairman | The chairman of the board |
| chief executive | The chief executive of the group |
| committee | The remuneration committee of the society |
| board | The board of directors of the society |
| director | A director of the society |
| group | The society and its operating subsidiaries |
| society | Dentists' Provident Society Limited |
| regulators | The Prudential Regulation Authority and Financial Conduct Authority |
| secretary | The Secretary of the society |
| vice chairman | The vice chairman of the board |

MEMBERSHIP

The **committee** will comprise the **chairman, vice chairman** and an independent non-executive **director** appointed by the **board**.

Appointment of the independent non-executive **directors** to the **committee** will be for a period of up to three years which may be extended by additional three-year periods subject to the **director** remaining eligible for membership of the **committee**.

The independent non-executive **director** shall be the chairman of the **committee**.

MEETINGS

The **committee** will meet at least once a year and at any other time if required. Scheduled meetings of the **committee** will be held between three and four weeks before the relevant **board** meeting.

The **chairman, chief executive** or the chairman of the **committee** may request that a meeting be held at any time. Any member of the **committee**, the chairman of another committee of the **board** or the **secretary** may request the chairman of the **committee** to convene a meeting at any time.

Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to all attendees, no later than five working days before the date of the meeting. Supporting papers shall also be sent to all attendees at the same time.

QUORUM

The quorum for meetings will be two members. In the absence of the chairman of the **committee** or where the **committee** meets to discuss the chairman's performance, the **vice chairman** will chair meetings of the **committee**.

SECRETARY

The **secretary**, or their nominee, shall act as the secretary to the **committee** and ensure that the **committee** receives the information and documents in a timely manner to enable it to effectively discharge its duties.

ATTENDEES

- **chief executive** (mandatory)
- any **director**, officer, employee or advisor of the **society** (by invitation of the **committee**).

The attendees may be collectively or individually requested to withdraw from any meeting of the **committee** if requested to do so by the chairman of the **committee**.

REPORTING

The minutes will be circulated to all **directors** as part of the **board** pack issued after the meeting unless the **committee** decides, with the approval of the **chairman**, that it would be inappropriate to do so in whole or in part.

The chairman of the **committee** will brief the **board** on the **committee's** discussions at the **board** meeting.

The **committee** shall make any recommendations it considers appropriate to the **board**, on any area within its remit where action or improvement is needed.

The **committee** will ensure that requirements regarding disclosure of remuneration information, including pensions, are met and produce a report on the **society's** remuneration policy and practices to be included in the **annual report** and ensure that it is put to the **members** for approval at the AGM, annually.

A description of the **committee's** responsibilities and activities during the year will be disclosed in the **annual report**. The chairman of the **committee**, or an appointed nominee, will also be available at the annual general meeting to answer questions in connection with the work of the **committee**.

AUTHORITY

The responsibilities delegated to the **committee** include all remuneration matters arising within the **society** and extends to all relevant matters relating to the **group**.

The **committee** has authority to investigate any matters within its responsibilities and to obtain such information as it may require from any **director**, officer or employee of the **group**.

The **committee** shall have the authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the **group** but within any budgetary restraints imposed by the **board**.

The **committee** is also authorised to engage any other independent advisors at the expense of the **group**, and invite them to attend meetings.

INDUCTION AND TRAINING

The **committee** will put in place suitable arrangements for the induction of new members of the **committee** and for the ongoing training of existing members as appropriate.

RESPONSIBILITIES OF THE COMMITTEE

Oversight of remuneration issues, including:

- setting the remuneration policy for all executive **directors**, including pension rights and any compensation payments. The remuneration of the non-executive directors will be determined by the **board** as a whole on the **committee's** recommendations
- monitoring the level and structure of remuneration for the management team
- reviewing and having regard to the pay and employment conditions across the **group**, especially in relation to annual salary increases, when setting the remuneration policy for the **directors**
- reviewing the ongoing appropriateness and relevance of the **group's** remuneration policy, having regard to remuneration structures in other organisations of comparable scale and complexity
- determine the total individual remuneration package of each executive **director**, including any bonuses, incentive payments or other variable rewards in consultation with the **chairman** and **chief executive**
- establishing the selection criteria, setting the terms of reference, selecting and appointing any remuneration consultants
- approving the design of, and determining the targets for, any performance-related pay plans operated by the **group** and approving the annual payments made under such plans
- determining the policy for, and scope of, pension arrangements for each executive **director**
- ensuring that contractual terms regarding termination and any termination payments, are fair to the individual and the **group** and that failure is not rewarded and that the duty to mitigate loss is fully recognised
- overseeing changes in employee benefit structures throughout the **group**
- agreeing the policy on expense claims from the **directors**
- liaising with other **board** committees on remuneration matters.

Assess the effectiveness of the **committee** by:

- conducting an annual self-assessment and report conclusions and recommendations for change to the **board**
- considering whether or not the **committee** receives adequate and appropriate support in fulfilment of its role and whether or not its current workload is manageable.

RESPONSIBILITIES OF MANAGEMENT

Management will ensure that all information required by the **committee** to discharge its responsibilities is provided promptly. Management will also ensure that matters of material concern that are relevant to the **committee's** responsibilities are brought to its attention promptly.

AMENDMENTS TO TERMS OF REFERENCE

The **committee** will review its terms of reference on an annual basis and recommend any amendments to them to the board.