



Skipton Building Society

Non-Executive Remuneration Committee terms of reference

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1. Purpose

- 1.1 The role of the Non-Executive Remuneration Committee (the “**Committee**”) is to set and review independent non-executive director fees for the Skipton Group (the “**Group**”), which is defined as Skipton Building Society (the “**Society**”) and its subsidiary undertakings including the following key businesses:
- Connells;
 - Skipton Business Finance;
 - Skipton International; and
 - Jade.
- 1.2 In doing so it will ensure that remuneration principles and practices are appropriate, market competitive, compelling to new hires, and enable the Group to attract and retain non-executive directors with the right skills, experience, knowledge and behaviours to support achievement of the strategic objectives of the Group and of its subsidiaries.

2. Duties of the Committee

The Committee shall:

- 2.1 Review non-executive directors’ fees at least annually and within the terms of the Rules (for the Society only). When reviewing fees, the Committee shall consider the responsibilities of the role, expected time commitment, market practice, organisational complexity and succession requirements.
- 2.2 Approve, or review and make recommendations to the Society’s board of directors (the “**Board**”) for the approval of any changes to non-executive directors’ fees or any adhoc payments, as detailed below.

	THE SOCIETY	SBF	SIL	CONNELLS	JADE
Independent Non-Executive Director fees ¹	Review and recommend to the Board for approval	Approve	Approve	Approve	Approve
Independent Non-Executive Director adhoc payments	Review and recommend to the Board for approval	Approve	Approve	Approve	Approve

3. Membership

- 3.1 Appointments to the Committee are made by the Board following consideration of recommendations by the Board Nominations Committee in consultation with the Chair of the Committee.

¹ Directors employed by the Group in an executive capacity do not receive separate remuneration for any executive or non-executive directorships held within the Group and are therefore outside the scope of the Committee.

- 3.2 The Committee shall comprise the Chair of the Board, who is a non-executive director, together with the Group Chief Executive Officer and the Group Chief Financial Officer, both of whom are executive directors of the Board.
- 3.3 The Chair of the Board shall be the Chair of the Committee.
- 3.4 Other individuals and external advisors may be invited to attend for all or part of any meeting, to facilitate effective operation of the Committee.

4. Quorum

- 4.1. Meetings of the Committee shall be quorate where attended by a minimum of three members, one of whom shall be the Chair or their nominee. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or delegated by the Board. In the event of a tie, the Chair (or the duly elected chair of the meeting if the Chair is not present) shall have the casting vote.
- 4.2. Members of the Committee shall be deemed to meet together if they are in separate locations, but are linked by conference telephone, video or other electronic communications equipment. Such a meeting shall be deemed to take place where the largest group of members of the Committee participating is assembled or if there is no such group where the Chair of the meeting is present.

5. Frequency of meetings

- 5.1 The Committee shall meet, at least, once a year, or on a more frequent basis as agreed by the Chair of the Committee.
- 5.2 Meetings shall be called by the Group Secretary and General Counsel at the request of any of its members.

6. Secretary

The Group Secretary and General Counsel or their nominee shall act as secretary to 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.

7. Authority

- 7.1 The Committee is a committee of the Board and has delegated authority from the Board to which it reports.
- 7.2 The Committee is authorised to:
- investigate any activity within its terms of reference;
 - obtain external legal or other independent professional advice, at the Society's expense, as it considers necessary to undertake its duties, and to secure the attendance of any such advisers at any meetings of the Committee where required; and
 - seek any information it requires from any employee of the Society or any of its group undertakings in order to perform its duties.
- 7.3 In the event of any discrepancy between these Terms of Reference and the terms of reference of any Skipton Group entity, the provisions of these Terms of Reference shall prevail.

8. Reporting Responsibilities

- 8.1 Minutes of Committee meetings shall be circulated by the Group Secretary and General Counsel or their nominees only to members of the Committee.
- 8.2 The Chair of the Committee will provide a verbal update of the general topics discussed and decisions made, where appropriate, to the Board meeting following each Committee meeting.

9. Annual General Meeting

The Chair of the Committee shall attend the Society's annual general meeting prepared to respond to any member questions on the Committee's activities.

10. Annual Review

The Committee's terms of reference shall be reviewed at least annually, with agreed changes presented to the Board for approval.