Terms of Reference
Remuneration Committee
Oct 2025

Newbury Building Society

1 Membership and quorum

1.1 The Committee is appointed by the Board.

1.2 Before appointment as Committee Chair, the appointee shall ideally have served on the Committee for at least 12 months. The Society Chair can not be appointed as Committee Chair.

1.3 The Committee comprises the Society Chair, the Senior Independent Director (SID) and at least one other non-Executive Director.

1.4 In the absence of the Committee Chair the remaining members present shall elect one of themselves to chair the meeting.

1.5 A quorum comprises two Committee members, and is required for decisions to be made.

2 Attendees

2.1 In addition to the Committee members the following are in attendance

- Chief Executive
- Director of People
- Director of Data and Governance (Company Secretary)

2.2 In the event of the Company Secretary being unavailable, the Chair will ask one of the attendees to be the Secretary for the meeting.

2.3 Other persons may attend all, or part, of any meeting at the invitation of the Committee Chair.

3 Frequency of meetings

3.1 Meetings are usually held four times a year, normally January, April, July, October.

3.2 The Chair can convene additional meetings if considered necessary.

4 Notice of meetings

4.1 Meetings shall be scheduled annually in advance.

4.2 Ad hoc meetings shall be convened by the Company Secretary at the request of the Chair.

4.3 Supporting papers shall normally be circulated, by the Executive Assistant, one week in advance of the meeting.

5 Minutes

5.1 The Company Secretary will take the minutes of the meeting.

5.2 Draft minutes will be provided to the Chair and once approved will be circulated to the other attendees.

6 Reporting

6.1 The Remuneration Committee chair formally reports proceedings from each meeting to the Board.

6.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit.

7 Authority

The Committee is authorised to:

7.1 Seek any information it requires from any Society employee in order to perform its' duties.

7.2 Obtain, at the Society's expense, outside legal or professional advice on any matters within its Terms of Reference.

8 Responsibilities

8.1 The Committee is responsible for setting and monitoring adherence to the Society's remuneration principles, including ensuring fair, non-discriminatory, and inclusive pay outcomes. The Committee will therefore:

8.1.1 Governance

- Ensure the Society complies with best practice and the applicable legal and regulatory requirements. These include the FCA's Remuneration Code, the Remuneration part of the PRA Rulebook and the UK Corporate Governance Code.
- Approve the policy for authorising claims for Board director's expenses.

8.1.2 Policy

- Set, and recommend to the Board, the remuneration principles for Executive Directors and Material Risk Takers, which is sufficient to attract, retain and motivate senior personnel and which:
  - strikes the correct balance to reward the achievement of targets and the fair treatment of members
  - does not encourage excessive risk taking
  - protects and enhances the long-term prospects of the Society.
- Review and recommend for Board approval, at least annually, the ongoing appropriateness and relevance of the Society's remuneration principles and remuneration policy statement.
- Ensure remuneration schemes include provisions for the Society to recover any sums paid or withhold the payment of a sum, as required by regulation, and specify the circumstances in which it would be appropriate to do so.

8.1.3 Setting remuneration

- Ensure that no Board director other than a non-executive director, or no Senior Manager, shall be involved in any decisions as to their own remuneration.
- Ensure that an appropriate proportion of remuneration is structured to link rewards to corporate and individual performance.
- Approve targets and performance related pay schemes for Executive Directors and Material Risk Takers, including pension arrangements and any compensation payments where applicable, with due regard to risk and fairness and in accordance with the Society's remuneration principles.
- Directly oversee the remuneration of senior managers in risk management and compliance, ensuring it is not inappropriately weighted to variable pay and that the method for determining remuneration does not compromise the objectivity of those individuals.
- Review, and recommend for Board approval, the CEO recommendations for Non-Executive fee levels.
- Obtain reliable, up-to-date information about remuneration in other businesses of comparable scale and complexity, including when determining appropriate levels of Non-Executive fees.

8.1.4 Contracts

- Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Society, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- Ensure service contracts of Executive Directors are aligned to the remuneration principles and remuneration policy statement.

8.1.5 Reporting and MI

- Commission or purchase any reports, surveys or information deemed necessary at the expense of the Society but within any budgetary restraints imposed by the board. Establish the selection criteria, terms of reference and appointment of any remuneration consultants who advise the Committee.
- Receive reports from the Chief Executive on how employee pay changes and performance related pay are to be awarded, including an assessment of any related risks. Ensure these are consistent with the general Remuneration Principles and statement approved by the Committee.

- Ensure that a remuneration report is produced for approval by the Board, published on the Society's website, and presented to the members at the AGM. To satisfy this requirement the remuneration report is included within the Society's annual Report and Accounts. State in the annual report on the Society's remuneration policy where external consultants have been used and state whether they have any other connection with the Society.
- Review of Committee Effectiveness, including terms of reference and assessment of the quality and appropriateness of the MI and reports.

8.2 Recommendations to Board

The Committee shall review and make recommendations to the Board in relation to:

- Approval of remuneration and other contractual terms for Non-Executive Directors, Executives and the Executive team.
- Approval of Executive incentive schemes payments.
- Approval of the Remuneration Principles and Remuneration Policy Statement

9 Rolling agenda

9.1 The Chair determines the agenda for each meeting, in conjunction with a relevant member of the Executive team.

9.2 In addition to the MI reports detailed above, there is a rolling agenda as follows:

Specific topics	*Presented by*	*Remuneration Committee action*	*Approved by*
January			
Board Director Expenses Policy and payments	*Director of People*	*Approve*	*Remuneration*
Gender pay gap (Biennial – even years)	*Director of People*	*Review*	*n/a*
Material Risk Taker (Directors and Executive Team) gifts and hospitality	*Director of People*	*Review*	*n/a*
MTIP quarterly update	*Chief Executive*	*Review*	*n/a*
April			
Material Risk Taker annual return	*Director of People*	*Approve*	*Remuneration*
MTIP quarterly update	*Chief Executive*	*Review*	*n/a*
July			
MTIP quarterly update	*Chief Executive*	*Review*	*n/a*
October			
Performance related pay proposal	*Chief Executive*	*Review and recommend for approval*	*Board*
Performance related pay payment approval (STIP/MTIP)	*Chief Executive*	*Approve*	
Remuneration principles and Remuneration policy statement review	*Director of People*	*Review and recommend for approval*	*Board*
Remuneration Statement in Report and Accounts	*Director of People*	*Review*	*Board (within R&A)*
Review of Committee Effectiveness, including terms of reference, and assessment of the quality and appropriateness of the MI and reports.	*Committee Chair*	*Review*	*Reported to Nomination Committee*
MTIP annual update (part 2)	*Chief Executive*	*Review*	*n/a*