

## **Terms of Reference for the Remuneration Committee**

The Board of The Care Trust (“TCT” or “the Company”) hereby resolves, pursuant to the authority conferred by the Articles of Association, to establish a Sub-Committee of the Board to be known as the Remuneration Committee.

### **1. Membership**

The Members of the Remuneration Committee shall be appointed by the Directors of the Board from within their Membership and shall consist of at least two Members. The Chairperson of The Care Trust Board can be a Member but shall not act as Chairperson of the Remuneration Committee. The Chairperson of the Remuneration Committee shall be appointed by the Committee. A quorum shall be composed of two Members.

The Members of the Remuneration Committee shall be independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgment.

### **2. Attendance at meetings**

The Chief Executive Officer (“CEO”) might be requested to attend meetings from time to time. The Committee may at each meeting appoint a member of the Senior Management Team (“SMT”) to be the Secretary.

### **3. Frequency of meetings**

Meetings shall be held at least once a year.

### **4. Authority**

The Remuneration Committee is authorised by the Board to deal with any matter within its Terms of Reference and take such action on behalf of TCT as it deems necessary to give effect to its decisions.

It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any such requests.

The Remuneration Committee is authorised by the Board to obtain outside professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. It is envisaged that in obtaining outside advice the Committee will act in conjunction with the Chairperson of TCT.

## **5. Purpose**

The purpose of the Remuneration Committee is to:

- a. ensure that the CEO and the senior management team (SMT) of TCT are fairly rewarded for their individual contributions to the overall performance of TCT, bearing in mind public and private sector companies; and
- b. ensure that the remuneration of the CEO and the SMT is set by a Committee of the Board whose Members have no personal interest in the outcome of the decisions of the Committee and who will have due regard to the interests of TCT.

## **6. Duties**

Subject to paragraph 5, the Committee shall be responsible for all elements of the remuneration of the CEO and the SMT, including pension rights and compensation payments (i.e. damages) and the duties of the Committee shall be:

- to consider the basic salary paid and any recommendations made by the CEO for changes to that basic salary
- to consider any bonuses to be paid and, in respect of any element of remuneration which is performance-related, to formulate suitable performance-related criteria and monitor their operation, and, where appropriate, to consider any recommendations of the CEO regarding bonuses or performance-related remuneration
- have regard in the performance of the duties set out in this paragraph to any published guidelines or recommendations regarding remuneration which the Committee considers relevant or appropriate

- to consider other benefits granted to the SMT and any recommendations of the CEO for changes in those benefits
- to consider the pension arrangements applicable
- where appropriate, to consider and make recommendations in respect of any other terms of the service contracts and any proposed changes to these contracts
- to approve the terms and duration of any service agreement to be entered into with any SMT member or consultant and
- to consider other matters relating to the remuneration of, or terms of, employment applicable and referred to the Committee by the Board.

#### **7. Minutes**

The Secretary must circulate minutes of meetings of the Remuneration Committee to all Members of the Committee and to the Board.

#### **8. Other**

The Committee shall, at least once a year, co-operate with the TCT Governance Committee to review its own performance and Terms of Reference to ensure that it is operating at maximum effectiveness.