

## NATIONAL SAVINGS AND INVESTMENTS (NS&I) REMUNERATION COMMITTEE

### TERMS OF REFERENCE

#### Context

1. NS&I is a non-ministerial department and executive agency of HM Treasury. NS&I has an advisory board comprising executive and non-executive members as well as up to two representatives of HM Treasury. NS&I's Chief Executive and non-executive Board members are appointed by the Chancellor of the Exchequer.
2. As NS&I Accounting Officer, the Chief Executive bears personal responsibility as determined by HM Treasury through Managing Public Money and other guidance. The Chief Executive also bears legal responsibilities as Director of Savings.
3. The Chief Executive therefore remains ultimately accountable for the achievement of NS&I's objectives, and for ensuring that NS&I manages its people to achieve its strategic objectives by having in place effective systems for appointment, pay, performance management, succession planning, and staff development. In discharging this responsibility, the Chief Executive will work with the Remuneration Committee, which is a committee of the NS&I Board.

#### Role and responsibilities

4. The Remuneration Committee acts as a nominations committee in respect of overseeing systems for identifying and developing leadership and high potential and scrutinising the incentive structure and succession planning for the executive members of the Board and the senior leadership of the NS&I.
5. The role of the Remuneration Committee is to act on behalf of, and report to, the NS&I Board in discharging its responsibilities e.g.
  - 5.1 Engaging with HM Treasury in relation to succession planning, recruitment and reappointment of NS&I's non-executive Board members and Chief Executive;
  - 5.2 Scrutinising NS&I's pay strategy, including the incentives for staff provided by the remuneration policies and the parameters for determining salary on appointment or promotion of Directors and Assistant Directors;
  - 5.3 Advising on the role and appointment of executive NS&I Board members;

- 5.4 Assessing the relative contribution of NS&I's executive Board members in achieving its corporate objectives;
  - 5.5 Scrutinising final pay decisions for NS&I's executive Board members;
  - 5.6 Reviewing succession planning arrangements for Directors and Assistant Directors within NS&I.
6. To discharge its role, the Remuneration Committee pays full regard to diversity considerations, and:
- 6.1 Advises the Chief Executive, where appropriate via the Board, on the appointment and remuneration of executive members of NS&I's Board and other senior NS&I roles, taking account of the such things as market data, pay developments and structure and internal pay relativities, and succession plans;
    - 6.1.1 For executive members of NS&I's Board, the Remuneration Committee will be involved in advising from the outset in appointment, remuneration and contract issues, including renewal. One of the non-executive directors will normally be involved in the selection process;
    - 6.1.2 For NS&I's other Director and Assistant Director appointments and contract renewals, the Chief Executive will normally advise the Remuneration Committee after an appointment has been made.
  - 6.2 Reviews the performance management and objectives of NS&I's executive Board members at the start of each performance year, taking into account the NS&I plan and targets and ensuring performance measures have business relevance and add value;
  - 6.3 Reviews the performance and development needs of NS&I's executive Board members at the mid-point of the reporting year;
  - 6.4 At the end of the performance year, reviews the collective and individual performance of NS&I executive Board members, taking into account the achievement of NS&I's plans and targets, and scrutinises pay and bonus awards proposed by the Chief Executive and line management;
  - 6.5 Reviews NS&I's performance management and the reward policy and strategy and its management, the risk assurance of the incentives framework for NS&I staff, and the appropriateness and cost/benefit of proposed developments and changes, on an annual basis;
  - 6.6 Reviews NS&I's arrangements for succession planning and personal development at Executive Committee and Assistant Director level;
  - 6.7 Discusses wider HR policies and practices, in particular performance against NS&I's

diversity objectives;

- 6.8 HM Treasury gives such advice as the non-executive members of the committee may seek on the objectives, targets, performance pay and bonus recommendations in respect of the Chief Executive.

## Membership

7. The Remuneration Committee comprises:
  - 7.1 Two NS&I Independent Non-Executive Directors, one of whom shall be appointed by the Board as the Chair of the committee
  - 7.2 The HM Treasury representative(s) on the NS&I Board
  - 7.3 The NS&I Chief Executive
  - 7.4 The executive Board member with responsibility for People [HR]
8. The Committee is supported by:
  - 8.1 The work of the Head of HR and Learning, and other members of the HR team, who research and prepare papers as necessary, advise on the costs and benefits of proposed developments and changes, and ensure compliance with wider Government policies
  - 8.2 The Board Secretary (Company Secretary) who will act as Secretary to the Committee and may be invited to advise on governance issues
  - 8.3 Other members of NS&I may be invited to attend meetings for specific agenda items.
9. The committee may procure independent external advice on good practice and wider market trends in appointment and remuneration subject to compliance with NS&I's procurement policies and within budgets agreed by the Chief Executive.

## Quorum

10. The quorum for meetings shall be two committee members and one representative of HM Treasury including:
  - 10.1 at least one non-executive member of the committee
  - 10.2 at least one executive member of the committee
  - 10.3 either the HM Treasury member of the NS&I Board or another member of HM Treasury staff, representing HM Treasury and holding appropriate delegated authority in relation to matters within the committee's remit.

## Meetings

11. The Remuneration Committee meets at least three times a year. The Committee Chair may convene additional meetings, as deemed necessary; and the Board or the Accounting Officer may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

## Written procedure

12. Urgent or straightforward issues or matters only involving the provision of information can be considered by written procedure. Urgent issues, as agreed by the Chair (or their representative), which require approval between meetings can be obtained from the Committee (by a majority response) by email via the Committee Secretary and a formal record will be produced at the next available meeting.

## Reporting, papers and minutes

13. The Chair will provide a short report on the Remuneration Committee's proceedings at the next Board meeting (either verbal or written).
14. Committee agendas, papers and draft minutes will be circulated to the Committee members a minimum of three working days before each meeting.
15. Draft minutes of Remuneration Committee meetings will normally be sent to the Chair for initial review within one week of each meeting.

## Review

16. These terms of reference will be reviewed as required but no less frequently than annually.
17. The terms of reference were approved by the NS&I Board on 4 December 2024 and subsequent amendments to paragraph 10 were approved by the Board on 2 September 2025