

Principality Building Society

Non-Executive Director Remuneration Committee Terms of Reference

Date of approval	21 March 2025
Role	<p>The role of the Non-Executive Remuneration Committee is to set and review Non-Executive Director fees ensuring that these are appropriate to attract and retain high quality individuals.</p> <p>The Committee shall ensure that incentives, performance management frameworks and remuneration structures are designed in a way that is consistent with ensuring good outcomes for customers. Throughout its activities, the Committee shall consider the general obligation to ensure customers are getting fair value and good outcomes in everything it does (Consumer Duty – Principle 12).</p>
Membership	<p>Members of the Committee are appointed by the Board, upon the recommendation of the Governance and Nominations Committee and in consultation with the Chair of the Committee.</p> <p>The Committee comprises:</p> <ul style="list-style-type: none"> • The Chief Executive Officer (Chair of the Committee) • The Chief Governance Officer • The Chief People Officer • The Chair of the Board
Chair	The Committee Chair will chair the Committee. In the absence of the Committee Chair at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.
Secretary	The Secretary of the meeting will be agreed between the Chair of the Meeting and the Society Secretary.
Attendees	Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of the meeting, as and when appropriate.
Frequency	This Committee will meet at least annually or on a more frequent basis as agreed by the Chair of the Committee.
Quorum	Three ¹ members. A member participating by way of conference call or other communications equipment shall be counted in the quorum accordingly.
Written Resolutions	Written resolutions may be used in accordance with the Society's Rules with written consent by all Directors.
Meeting papers and	The Secretary of the Committee shall circulate the Agenda and papers for each meeting of the Committee no less than five working

¹ The quorum will reduce by one if the committee membership reduces.

minutes	<p>days in advance of the relevant meeting.</p> <p>Minutes will record the proceedings, resolutions and decisions including recording the names of those present and in attendance and record any declarations of interest/conflicts of interest disclosed at meetings. The minutes of the meeting shall be approved at the next meeting.</p>		
Mandate	<p>The Committee is authorised to:</p> <ul style="list-style-type: none"> • Perform such other oversight functions as the Board may request. • The Committee will receive reports and recommendations from time to time on any matter which it considers to be of sufficient significance. 		
Reports to	<p>This Committee reports to the Society's Board at least, annually on the outcome of its review of Non-Executive Director fees, explaining how its conclusions have been arrived at.</p> <p>The Chair of the Committee shall attend the Annual General Meeting to answer member questions on the Committee's activities.</p>		
Sub Committees	None.		
Responsibilities	<i>Purpose</i>	<i>Matter</i>	<i>Frequency</i>
1	Review	The fees paid to the Non-executive Directors within the terms of the Society's Rules and to make recommendations to and seek approval from the Board for any changes to such fees.	Annually