



Executive Group Pay Policy

1. Introduction

The BHF vision is for a world in which people do not die prematurely or suffer from cardiovascular disease. To deliver this goal it is essential for the BHF to have credible leaders who bring professional expertise, significant leadership experience and strong capability to deliver our objectives. The BHF has adopted a clear and transparent policy that not only ensures the selection and retention of high calibre leaders but also ensures our donors, supporters, staff, volunteers, beneficiaries and public recognise the importance of accountability in all aspects of our work including the determination of pay and benefits of the senior team. [This policy will form part of the BHF Reward Strategy, being developed in 2015.]

2. Scope of Policy

This policy applies to the Chief Executive and the Executive Group Directors only, referred to for the purposes of this policy as Executive Group.

Reference is made to the recommendations from the 2014 inquiry into executive pay by the National Council for Voluntary Organisations (NCVO.) Not all the recommendations are adopted but this policy does include the BHF's approach to pay for our Executive Group, how pay is determined and reviewed and the relative impact on pay across the organisation.

These points form the basis of our senior pay statement, which includes the publishing of our Chief Executive's salary and can be found in a prominent position on our website at www.bhf.org.uk.

3. How pay is determined

The BHF raises almost £150m per annum including the profit from our shops and we invest approximately £100m of that into cardiovascular research and £30m in non-research charitable activity, with plans to substantially increase this investment over the next 5 years and save more lives. It is essential that the BHF is able to attract and retain people with the right leadership, values, experience, knowledge and skills required to lead. Having a competitive reward offering is one of the many ways in which the BHF can secure the very best people to deliver our ambitious targets and fight for every heartbeat. It is our aim to secure the fight through fair salaries for talented people and this will define our approach to pay.

To successfully recruit and retain high calibre Directors, it is essential that the salary and benefits offered are competitive in the relevant market. The market sector used for making this assessment will depend on the relevant area of profession the Director is recruited from and the value of the level of skills, knowledge and experience which is required to perform effectively in the role. This can range from the not for profit sector, such as other charities of similar size and complexity, to the public, medical or research sectors, such as the NHS, Universities, or Research centres, from where BHF would need for some of our most prestigious roles such as Medical Director. Whilst the BHF does not seek to compete on salary terms with the commercial sector, it will need to know what the

comparator salaries are for those Directors in commercial roles and the pay differentials should candidates wish to move from these sectors.

4. How pay is governed at BHF

The Board of Trustees is responsible for defining BHF's Executive Group Pay Policy and deciding on the salaries of the Chief Executive, and the Executive Group. The Board delegates this responsibility to the Remuneration Committee. This Committee is chaired by an independent non-executive, senior Human Resources specialist who is not a trustee of the BHF. The role of the chair is to oversee the proper administration of the Executive Group pay policy, review the evaluation of Director performance with the Chief Executive and recommend changes to executive pay. The committee meets twice a year with the Chief Executive and the People & OD Director attending in an advisory and non decision-making capacity.

5. Principles

Our approach to pay is underpinned by the following principle;

To pay a fair salary, sufficient to attract and retain skilled, expert senior leaders of the BHF. Salaries and benefits should be competitive within the charity sector, proportionate to the complexity of each role, and responsible in line with our charitable objectives.

To achieve this, the Executive Group Pay Policy aims to:

- pay the median range for similar organisations in the UK Charity sector market and while not seeking to compete head-on with salaries in the public or private sectors to acknowledge that some Executives are more likely than others to be recruited from these sectors
- ensure performance is reviewed and reported to the Remuneration Committee on an annual basis
- apply Performance related pay elements only where required by the relevant market sector
- monitor a blend of charity, public and private sector salary trends (drawing on independent expert advice and statistically significant survey data to inform salary setting and progression decisions

6. Publication of salary information

The pay bands for those earning over £60,000 are published each year in the BHF Annual Report & Accounts. In addition, a summary of this policy and the current salary of the Chief Executive are available in a prominent position on the BHF website. Further disclosure of names and individual salaries is not available as it is not felt to be in the interests of our beneficiaries and donors.

Review of this policy

This policy will be reviewed on an annual basis by the BHF Remuneration Committee.