



Kyndi

Cabinet Sub-committee

Date of Meeting: 11th June 2024

Presented to: Cabinet Sub-Committee (Kyndi Shareholder Board)

Report from: Kyndi Board of Directors

1. Summary

This paper is presented to the Kyndi Cabinet Sub-committee in respect of the following items:

- 1: Appointment of Non-Executive Directors & Remuneration Policy
- 2: Non-Executive Director gap analysis and authority to recruit

2. Recommendations

- That the Kyndi sub-committee approves the appointment of the incumbent Board of Directors per the Articles of Association for 12 months.
- That the Kyndi sub-committee approves the start of the recruitment process for two further Non-Executive Directors to meet the requirements of the articles of association
- That the Kyndi sub-committee approve the proposed Remuneration Policy

3. Existing Board of Directors

Assistive Technology, CCTV, and Monitoring are specialist in nature, and the existing Board of Directors are highly skilled Non-Executive Directors with the knowledge and ability to offer constructive advice to ensure that the objectives of the company are achieved, and risks are appropriately managed. A short overview of the existing Board is outlined below.

Ashley West (Chair)

Ashley has enjoyed a successful career in banking and commerce. During the past 20 years, he has built up a portfolio of non-Executive roles including 9 years at MHS Homes Ltd, where he chaired the Finance, Risk & Audit Committee and subsequently became Group Chairman.

More recently he was a Non-Executive Board Member at two other housing associations: East Thames Group and the Radian Group, a Governing Council Member of the University of Kent, and a Non-Executive member of the Membership Board of the RICS. He is also the Chairman of Medway Community Estates Limited which owns the four Healthy Living Centres in Medway and for 10 years up to 2023 was the Deputy Chair of Dartford Gravesham & Swanley CCG

Ashley is married with three adult daughters and enjoys cricket, music, theatre, travel, and fine arts.



Steven Hughes (Non-Executive Director)

Steven joined the Kyndi board as a non-executive director in February 2019 to provide his commercial expertise to this fast-growing Telecare business. He has over 20 years of product, marketing, commercial, and leadership experience in FTSE100 and Challenger brands across Tech, Telco, and Retail.

Steven has an enviable skill set, an eye for detail and a great understanding of customer insight as well as the ability to motivate his team and deliver results. He lives in Rochester with his partner and young family.

Clare Burgess (Chief Executive Officer)

Clare brings over two decades of diverse experience across the public, private, and VCSE sectors, with a particular focus on health and social care. Since joining the Board as CEO in May 2023, she has been dedicated to collaborating with Medway Social Care to ensure the local community has access to services that promote independence and fulfilling lives. Her role also involves supporting and enhancing other health and social care services, as well as ensuring that Medway Social Care meets its funding goals. Clare's track record includes successfully creating business strategies that are fit for purpose and motivating teams to achieve their objectives.

Clare resides in Swale with her family, along with their cats and energetic chocolate Labrador. She is actively involved in her community, serving as the volunteer Chair of the local RNLI Management Group. In her free time, Clare enjoys gardening, cooking, and supporting the local youth grassroots football team.

4. Request

Item 1: Appointment of Non-Executive Directors.

The current Directors for Kyndi and its subsidiaries are:

Ashley West as Non-Executive Chair
Steven Hughes as Non-Executive Director
Clare Burgess as Chief Executive Officer

Item 2: Non-Executive Director gap analysis and authority to recruit.

The Kyndi sub-committee is requested to approve the initiation of a recruitment process for two new non-executive directors.

A comprehensive review of the Board will be conducted using the skills matrix outlined below. This review will identify any skills gaps within the current Board, which will then inform the recruitment process. Kyndi will manage the recruitment process, potentially utilizing specialised talent agencies to ensure the identification of the most suitable candidates.



An industry benchmarking exercise has been completed by industry specialists, and their recommendations are detailed in the table below.

“It is typical to use the median as the basis for comparison, as it avoids giving too much weight to outliers, and these can be more common with Board remuneration samples”. Kyndi therefore proposes to use the Median amounts for recruitment of new non-executive directors.

Table 1 | Remuneration benchmarking

Roles	Lowest	Lower quartile	Median	Upper quartile	Highest	Average
Chair	£6,000	£8,750	£9,000	£12,000	£14,117	£10,245
Board member	£3,000	£5,000	£5,000	£6,450	£7,000	£5,362

The recruitment process will ensure that candidates align with the highlighted skills required to fill the identified gaps, ensuring a well-rounded and competent Board. The recruitment panel for final interviews will include the Chief Executive and Chair of Kyndi and a member of the Shareholder Board.

Board Skills Matrix

Using the table below please enter a number from 1- 5 which most closely matches your knowledge & experience in the areas listed below:

1	2	3	4	5
Little knowledge & no experience	Reasonable knowledge but no experience	Knowledgeable but limited experience	Good level of knowledge & experience	Highly knowledgeable & highly experienced

Skills & Experiences required		Self-Assessment
Assistive Technology in Health & Social care	Has an understanding/experience of assistive technology and how they are delivered by the Kyndi companies in both local authorities, ICB and private sectors.	
Health & Social Care	Understands Health & Social Care, Adult Social Care and ICB and how they are interdependent	
Risk Management	Able to identify the main risks and related factors in reports and debates. Evaluates the risks and options and takes a balanced approach to problem solving.	
Law	Experience and understanding of the legal environment in which the companies operate.	
Customer Services	Has experience of and understands the need for excellent customer services and how to assess / monitor those services.	
Marketing	Understand the impact and benefits of successful marketing and the impact of negative marketing on the companies. Understand how to use market insight data and reports to help develop strategies to deliver the Company's objectives.	
Governance	Experience of governance, regulation, scrutiny, compliance, and the regulatory framework in which the Kyndi companies operate.	
Human Resources	Understands and supports the need for comprehensive, fair, and legally compliant HR policies. Recognises and respects the domain of staff responsibility.	
Gender and Diversity	Understands the legislation relating to gender and diversity and can embed these policies to remove unconscious bias.	
IT & Digitalisation	Has a knowledge of IT and business systems, including those used in the sector.	
Asset Management	Experience of asset management strategies; procurement, contracting, maintenance and budgeting.	
Strategic Planning	Able to demonstrate strategic vision and has experience of strategic planning, effective decision making and outcome monitoring. Able to reconcile business needs with social purpose.	

Business Planning	Experience of business planning and understanding of this to assistive technology operations.	
Finance	Experience of financial management, accounting, business, and long-term financial planning.	
Training & Employment	Understand the needs for and supports investment in staff and developing staff to meet the needs of the business. Understands the needs for comprehensive employment policies.	
Value for Money	Can demonstrate an understanding of the principle of value for money and how to apply that to the business.	
Health & Safety	Has an awareness of the legislative requirements surrounding H&S in the workplace and as part of the services the companies deliver.	
Communications and Public Relations	Experience of stakeholder management, particularly in a local government context, and the strategies to engage and effectively communicate with them.	
Local Medway Connection	Have a personal or professional connection to the Medway/Kent area	
Please add any additional information regarding skills or personal attributes not covered by the above headings which you can offer		



KYNDI LTD GROUP OF COMPANIES

REMUNERATION POLICY

1. Kyndi Ltd Group Policy

The Kyndi Ltd group of companies provides assisted technology products for home living to vulnerable groups of people, whether in their own homes, care schemes, or care homes. Our purpose is to help our clients maintain quality of life and independence by harnessing the power of assistive technology. This means we must provide a supportive and stable environment for our staff and deliver trusted, responsibly managed, and strongly performing products to our clients.

The Kyndi group remuneration policy represents the remuneration arrangements of Kyndi Ltd (KL) Kyndi Care Ltd (KCL) and Medway Public Services Ltd (MPS). Kyndi Care Ltd and Medway Public Services Ltd are both wholly owned subsidiaries of Kyndi Ltd. In the event of any change to the group structure, this policy applies to all companies within the Kyndi group.

This policy has been designed to incorporate all relevant remuneration obligations for the business as set out in the holding company articles and memorandum of operations into a consolidated policy that is applied consistently across the organisation. The policy is owned by the group board of directors which is composed of the group's non-executive directors and the executive CEO of Kyndi Ltd

Kyndi's ability to hire and retain the best people and non-executive directors depends upon the culture and purpose of the business, the quality of its working environment, the opportunities it can give people to develop, and the remuneration they receive. This policy aims to provide clear and transparent guidelines for the group of companies to positively influence these factors that attract motivate reward and retain competent ethical and forward-thinking individuals including our non-executive directors who are chosen on the external skills, experience, and knowledge they bring.

2. Scope of the policy

This policy applies to all Kyndi staff and executive and non-executive directors. This policy applies to all aspects of remuneration that could have a bearing on effective risk management including salaries and bonuses long-term incentive plans, severance packages, and pension arrangements where relevant.

All references to remuneration include remuneration paid, provided, or awarded in connection with employment by Kyndi. All staff are eligible to receive variable remuneration, but this is set on an annual year-by-year basis after approval of the annual forecast and budget by the board and shareholder committees.



3. Purpose and Objectives of this Policy

The objectives of this policy are to

- set out the principles governing Kyndi's approach to remuneration
- ensure that remuneration is in line with applicable regulations on remuneration
- ensure that Kyndi's remuneration policies and practices are consistent with and promote sound and effective risk management
- ensure that remuneration is properly monitored

4. Annual Review

This policy, the remuneration approach, and its practical operation including the scope and award of variable pay shall be reviewed by the board regularly at least once a year.

5. Remuneration principles

This policy is built on the following core remuneration principles:

- Values driven

This policy aligns the organisation's remuneration practices with our values and goals to nurture our culture of high standards of conduct and behaviour and provides a sense of purpose to employees.

- Integrity

This policy aligns the interests of employees with those of our clients and shareholders to ensure employees act with integrity, deliver good outcomes for both clients and shareholders, and act in line with high expectations of client care.

- Sustainable

This policy encourages the longer-term performance of the organisation to be that of delivering sustainable growth and long-term value creation for the shareholder, residents of Medway, and other stakeholders.

- Fair and equitable

This policy encourages remuneration based on multiple gender-neutral criteria including the overall performance of the organisation as well as the performance and contribution of the individual, the team, and the relevant business unit or funds to promote a sense of collaboration among employees.

- Inclusive

This policy is designed to promote a sense of inclusivity and diversity.

- Balanced

This policy considers both the external and the internal market relativities to help the organisation attract, retain, and engage a diverse and talented workforce, adequately experienced and qualified, needed to support the organisations success.



- Transparent

Reward decisions are clear and the processes and outcomes transparent to build trust and confidence amongst employees and stakeholders.

6. Remuneration structure

Annual remuneration is built on the following elements:

Fixed

The following elements are included:

- base salary
- employer pension contributions
- annual leave

All elements are considered together to form part of the fixed pay package when assessing market value and benchmarking, inclusivity, fairness, and equitability.

Fixed pay is determined annually based upon the factors and principles outlined in this policy.

Kyndi also provides employees with a range of benefits that are considered part of fixed remuneration but are not contractual and are provided at the sole discretion of the group, which reserves the right to vary or amend any of the benefits it offers any time on reasonable notice.

Variable

Variable remuneration is discretionary and based on the performance of the organisation and/or the team and/or individual. This may include:

- any discretionary bonus or deferred bonus
- any long-term incentive plan for executive directors, senior management, or key employees

Variable remuneration is set and delivered in a way that does not reward failure or misconduct. It is fully discretionary and set on a case-by-case basis and therefore includes the possibility of not paying any variable remuneration component in any one year to any individual or team.

The board can decide in advance or retrospectively whether variable pay is to be awarded for any one financial year. When determining if variable remuneration is appropriate the board will consider the role of employees and the impact, they have on the risk profile of the organisation and all the assets being managed. Any variable remuneration is assessed by the board taking into consideration the profitability of the group and the adequacy of its capital. This ensures that any variable remuneration does not limit the company's ability to strengthen and maintain its capital base and will not be awarded paid out or allowed to vest if it would affect the ability of Kyndi to ensure a sound capital base. The CEO should provide the board with a business case for the payment of the variable pay including the basis for allocation, based upon final audited financial statements.



7. Annual Remuneration

Remuneration for all employees and directors will be based on market related salaries for the industry, considering the complexity, size, and nature of the business. The total remuneration package should be linked to performance measures that support positive outcomes across the economic social and environmental context in which the Kyndi group operates.

Employee remuneration is determined on the basis it should be sustainably affordable and cannot be allowed to cause cash flow constraints. At the same time, remuneration should constitute a fair reward to employees for their contribution.

Annual salary increases are market and performance-related and linked to success in delivering according to strategy. Delivery expectations from each employee are formalised and agreed upon in individual performance appraisals.

Employees do not have a right to an annual salary increase. Annual increases are a function of industry market conditions, inflation, employee performance, as well as company financial position and ability to pay. These factors are assessed to arrive at a standard or average rate of increase which translates into a total amount available for increases approved by the board.

The CEO determines within the parameters of the total amount approved for annual increase by the board the increase awarded to each employee.

Promotional increases are considered in the event an employee is promoted into a new role with concomitant additional duties, responsibilities, and decision-making capacity. Should an employee be promoted to a higher-level position the employee's salary will be reviewed by the CEO according to the principles outlined above.

Under exceptional circumstances if, and when appropriate to address market-related and or internal inconsistencies the CEO may authorise ad hoc salary adjustments subject to financial budget availability and any constraints within the delegation of authority. These ad hoc salary adjustments should be reported by the CEO to the board at the next scheduled board meeting.

8. Executive and non-executive board directors

The same remuneration principles apply to the payment of executive and non-executive directors of the Kyndi group and subsidiary companies.

Kyndi aspires to pay its directors market-related salaries for the industry, considering complexity size, and nature of the business. The remuneration may take any form and may include any arrangements in connection with the payment of a pension, allowance, or gratuity, or any death sickness, or disability benefits to or in respect of that director.

The remuneration must be fair and responsible in the context of the overall employee remuneration for the Kyndi group and should be based on an annual review benchmarking, utilising the median quartile, the remuneration package to other similar organisations in terms of size and complexity.



The remuneration is determined on the basis it should be sustainably affordable and cannot be allowed to cause cash flow constraints. At the same time, it should constitute a fair reward to the directors for their contribution.

Any variable element of the remuneration payable to executive directors is subject to approval by the board using the principles highlighted in the policy above.

9. Governance and oversight

The board has been constituted in a way by the shareholder that enables it to exercise competent and independent oversight of this policy, the remuneration process and practices, and the incentives created for managing risk capital and liquidity. Any decisions relating to remuneration must consider the long-term interest of the shareholder, and other stakeholders in the company and the public interest.

Employee remuneration levels are set by the senior management team and approved by the board, ensuring compliance with the statutory obligations relating to equal pay and non-discrimination. The board specifically approves individual salary, and bonus payments and were relevant to participation in any long-term incentive plan for executive directors.

The company conducts an annual review of this policy for compliance with regulatory requirements prior to it being presented to the board for final approval. The board is responsible for overseeing its implementation within the organisation.