

## Remuneration Committee

---

### TERMS OF REFERENCE

#### 1. **Scope**

##### 1.1. **Purpose**

Responsible for overseeing the remuneration policy and strategy of the organisation and agreeing the salaries and any other payments to the Chief Executive Officer (CEO) and Executive Leadership Team (ELT). The Committee shall provide assurance to the Board that the organisation meets required policies, standards, best practice, and regulatory requirements.

##### 1.2. **Authority**

The Committee has delegated authority from the Board of Trustees in accordance with the terms of reference.

##### 1.3. **Reporting**

The Committee reports to the Board of Trustees.

#### 2. **Membership**

##### 2.1 **Chair**

The Committee will be chaired by a trustee appointed by the chair of the Board of Trustees.

##### 2.2 **Members**

Core membership of the Committee will comprise:

- Up to four trustees (one of whom will be chair of the Committee)
- One external advisor

##### 2.3 **Attendees**

Standing attendees shall be:

- Chief Executive Officer
- Chief People Officer
- The Chair of the Board of Trustees may attend as an advisor

The Committee may invite other attendees (non-voting) to act in an advisory capacity, as deemed necessary.

The CEO shall not be involved in decisions as to his/her own remuneration.

## **2.4 Term of office**

Two terms of four years each; coterminous with each Trustee's terms of office.

## **2.5 Quorum**

Quorum is set at three members, two to be Trustees.

## **3. Responsibilities**

The responsibilities of the Committee shall be:

**3.1** To oversee and monitor on behalf of the Board and recommend to the Board for adoption the broad salary policy, pay structure progression and approach to performance management and changes to terms and conditions for the organisation.

**3.2** To receive recommendations from the CEO for salary changes for all members of ELT, where market forces and other matters dictate the need.

**3.3** To receive and to note the CEO's decision on the annual performance rating for ELT.

**3.4** To set the annual remuneration policy statement for the Trustees' Report and Accounts.

**3.5** To receive annual reports on significant severance settlements, employment tribunals, contentious claims and organisation performance ratings

**3.6** To maintain minutes of the meetings of the Committee and to report to the Board on its deliberations.

**3.7** To regularly scrutinise risk management arrangements and the register; to report and escalate to the Board any significant risks.

**3.8** To assure that the performance and pay review process was conducted in line with policy and supported with appropriate evidence.

**3.9** To consider other matters as referred by the Board from time to time.

## **4. Management**

### **4.1 Secretary**

There shall be a Secretary who will arrange, convene, attend and record all meetings of the Committee.

The Chief of Staff maintains an oversight of all committees.

### **4.2 Papers/agenda**

The Secretary is responsible for circulating papers for the meetings. Agenda and papers will be circulated to all members at least 5 working days before the meeting.

### **4.3 Meetings**

The Committee will normally meet at least two times a year in February and November in line with the organisation's performance review cycle. Additional meetings may take place at the request of the Committee Chair as necessary on remuneration policy matters.

#### **4.4 Attendance**

Members are expected to attend all meetings of the Committee unless agreed by the chair. Ex-officio members must nominate a suitable deputy if unable to attend. Attendance by tele/video conference can be agreed with the chair.

#### **4.5 Minutes / reporting**

The Secretary to the Committee shall distribute minutes of each meeting to Committee members within ten working days. Minutes will be shared with the Board at the following board meeting.

The Committee Chair will report formally to the Board on the Committee's proceedings.

#### **4.6 Sub-groups**

The Committee may establish sub-groups to oversee specific issues, setting their terms of reference and membership as required.

#### **4.7 Conflicts of interest**

Committee members are required to sign the *Board Code of Conduct*, which includes a conflict of interest clause. Committee members are required to declare their potential interests in accordance with the *Conflict of Interest Policy* as agreed by the Board (from time to time).

### **5. Version control**

#### **5.1 Approval**

These terms of reference were approved by the Board of Trustees at their meeting on 15 June 2020.