



## Remuneration Committee

### Terms of Reference

#### 1. Duties

- 1.1 A Remuneration Committee is a formal stand alone committee, necessary to ensure oversight and good governance throughout an organisation in all matters relating to pay, benefits and associated conditions of service. It is one of the ways that the organisation ensures the recruitment and retention of quality staff appropriate to current and future business needs

The Committee on behalf of the Board shall:

- 1.2 Consider and recommend proposals for the remuneration package, benefits and associated conditions of service of the Chief Executive to the sponsor department.
- 1.3 Consider and agree proposals from the Chief Executive about the remuneration of senior executive staff and other specific pay, benefits and associated conditions of service of a significant and strategic dimension for all staff. As required, these proposals will require approval from our sponsor department. No employee shall be involved in any decisions about their own remuneration.
- 1.4 Consider and make recommendations in relation to the annual pay award (remit) process.
- 1.5 In making the above recommendations, take into account all factors, which it deems necessary. These may include the review of data and information supplied by external parties and other comparative data.
- 1.6 To agree overall pay policy and structure, and thereafter changes to the pay policy and structure. Consider and advise on any proposals for major changes to employee remuneration, pay and benefit packages, as requested to do so.

- 1.7 To approve the annual pay bill budget.
- 1.8 The Committee should ensure that decisions and recommendations made support the organisation's business plan and strategy; are proportionate, fair and equitable, and support Equal Pay principles; are supported by an appropriate level of information and analysis and take into account the Government's public sector pay policy.
- 1.9 To provide reports as required to the Audit Committee and Board as appropriate.

## **2. Membership**

- 2.1 Members of the Committee shall be appointed by the Board and will be made up of at least three members who are not members of the Audit Committee.
- 2.2 Appointments to the Committee shall be for a period of up to three years, which may be extended for a further three-year period.
- 2.3 The Committee Chair shall be appointed by the Chair of the Board. In the absence of the Chair of the Remuneration Committee, the remaining members present shall elect one of themselves to Chair the meeting.
- 2.4 Only members of the Committee have the right to vote at Committee meetings.
- 2.5 The Chief Executive (as accounting officer) shall be the lead official for the Remuneration Committee and shall ensure that the Committee has access to all necessary information relevant to its work.

## **3. Quorum**

- 3.1 The quorum necessary for the transaction of business at meetings shall be two.

## **4. Meetings**

- 4.1 The Committee shall meet at least twice a year and at such other times as members of the Committee shall require.
- 4.2 The Committee may also deal with papers and decisions by correspondence with the prior approval of the Chair.
- 4.3 The Committee may request the presence of other Board Members and Management Team members to attend its meetings by invitation on an ad-hoc basis, to deal with specific items of business.

## **5. Administration of Meetings**

- 5.1 Meetings of the Committee shall be arranged by a member of the Strategic Relations team at the request of any of its members.
- 5.2 The Chief Executive will ensure that minutes are taken at all meetings, which will formally record any decisions made and include the names of those present and in attendance.
- 5.3 Unless otherwise agreed, notice of each meeting together with an agenda and papers for discussion, shall be forwarded to each member of the Committee no later than five working days before the date of the meeting.

## **6. Reporting Responsibilities**

- 6.1 The Chair of the Committee will report the Committee decisions at the next Board meeting following the Committee meeting.

## **7. Authority**

- 7.1 In connection with its duties the Committee is authorised by the Board to obtain, any outside legal or other professional advice that becomes necessary

## **8. Other**

- 8.1 The Committee shall, at least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Dated: January 2010

Next Review date: January 2011