



COU.16/17:58

REMUNERATION COMMITTEE TERMS OF REFERENCE

1. MEMBERSHIP

- 1.1 The Committee shall comprise at least three members, all of who shall be independent members of Council. The President of Council may also serve on the Committee as an additional member if he or she was considered independent on appointment as President. Members of the Committee shall be appointed by Council, on the recommendation of the Nomination Committee and in consultation with the Chairman of the Remuneration Committee.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the School Director, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3 Appointments to the Committee are made by Council and shall be for a period of up to three years extendable by no more than one additional three-year period, so long as members (other than the President of the Council, if he or she is a member of the Committee) continue to be independent.
- 1.4 Council shall appoint the Committee chair who shall be an independent member of Council. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by Council. The President of the Council shall not be chair of the Committee.

2. SECRETARY

The Company Secretary or his or her nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. QUORUM

The quorum necessary for the transaction of business shall be two.

4. MEETINGS

The committee shall meet at least twice a year and otherwise as required.

5. NOTICE OF MEETINGS

- 5.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other independent members, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

6. MINUTES OF MEETINGS

- 6.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of Council unless in the opinion of the Committee chairman it would be inappropriate to do so.

7. ANNUAL GENERAL MEETING

The Committee chairman should attend the annual general meeting to answer any shareholder questions on the committee's activities.

8. DUTIES

The Committee should carry out the duties detailed below for the group as a whole, as appropriate.

The Committee shall:

- 8.1 Have responsibility for setting the remuneration policy for the School Director and all other members of the Senior Management Team, including pension rights and any compensation payments. No director or senior manager shall be involved in any decisions as to their own remuneration.
- 8.2 In determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements and the competitive environment. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the Association successfully without paying more than is necessary. The remuneration policy should have regard to the risk appetite of the Association and alignment to its long strategic term goals.
- 8.3 Review the on-going appropriateness and relevance of the remuneration policy.
- 8.4 Within the terms of the agreed policy and in consultation with the President and School Director determine the total individual remuneration package of each member of the Senior Management Team and other designated senior executives (such as the Company Secretary and the Head of Human Resources).
- 8.5 Obtain reliable, up-to-date information about remuneration in other entities of comparable scale and complexity. To help it fulfill its obligations the committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Association but within any budgetary restraints imposed by the Council.
- 8.6 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

- 8.7 Determine the policy for, and scope of, pension arrangements for each member of the School Director and the other members of the Senior Management Team and other designated senior executives.
- 8.8 Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Association, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 8.9 Oversee any major changes in employee benefits structures throughout the group.
- 8.10 Agree the policy for authorising claims for expenses from the School Director and other members of the Senior Management Team.
- 8.11 Work and liaise as necessary with all other Council committees.

9. REPORTING RESPONSIBILITIES

- 9.1 The Committee chair shall report to Council on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to Council it deems appropriate on any area within its remit where action or improvement is needed.

10. OTHER MATTERS

The Committee shall:

- 10.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 10.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
- 10.3 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to Council for approval.

11. AUTHORITY

The Committee is authorised by Council to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.