



# **NORTH SHROPSHIRE COLLEGE**

## **TERMS OF REFERENCE AND STANDING ORDERS**

### **REMUNERATION COMMITTEE**

1. The Remuneration Committee is established by the Board of Governors.

#### **2. COMPOSITION**

2.1 The Remuneration Committee shall consist of up to five members, being the Vice Chair of the Corporation and the Chairs of the Corporation, the Audit & Risk Management Committee, the Finance and Resources Committee, the Quality & Standards Committee and the Search & Governance Committee. The Chair of the Corporation shall normally chair the Committee.

The Principal & Chief Executive, Staff and Student Members are not eligible for membership.

2.2 The Clerk of the Board of Governors shall act as Clerk to the Committee.

#### **3. OVERALL PURPOSE**

3.1 The Committee shall review and determine the Board of Governors' policy on executive remuneration and advise on the specific remuneration packages of Senior Postholders so as to ensure that Senior Postholders are fairly rewarded for their individual contributions to the College's overall performance.

3.2 The Committee shall make recommendations on Senior Postholders' remuneration for approval by the Board of Governors.

#### **4. KEY TASKS**

4.1 The Committee shall advise the Board of Governors on the specific remuneration packages of the Principal & Chief Executive and other Senior Postholders, and in doing so shall consider the following component elements:

- a) Basic salary
- b) Benefits in kind
- c) Annual bonus/performance related elements
- d) Pension provisions

- e) The main terms and conditions in each Senior Postholder's service agreement, with particular reference to the notice provisions

4.2 The Committee shall evaluate annually the specific remuneration packages of the Principal & Chief Executive and other senior postholders against:

- a) pre-established performance goals and objectives
- b) an appropriate peer group

For that purpose the Committee will review and assess performance target goals and objectives established before the commencement of the relevant period and determine whether such goals and objectives have been achieved at the end of the relevant period.

4.3 The Committee shall advise the Board of Governors on any compensation (including the augmentation of pension benefits) which may be payable in the event of the early termination of the employment of the Principal & Chief Executive or any other Senior Postholder, with the broad aim of:

- a) avoiding rewarding poor performance
- b) dealing fairly with cases where early termination is not due to poor performance.

4.4 The Committee shall review on a continuing basis the Board of Governors' policy in relation to all aspects relating to the remuneration of the Principal & Chief Executive and other Senior Postholders.

## 5. MEETINGS

5.1 The Committee shall meet at least once a year as determined by the Board of Governors.

5.2 The Principal & Chief Executive shall normally be invited to attend meetings of the Committee, except when his/her remuneration package is being considered.

5.3 The Committee may invite other Senior Postholders to attend meetings when necessary.

5.4 Other members of the Board of Governors shall have the right of attendance, except for Staff and Student Members and any other Governors who are employees of the College.

## 6. TERM OF OFFICE

6.1 The Board of Governors shall decide the membership of the Committee: currently this is as per paragraph 2.1, namely the Chair and Vice Chair of the Corporation and the Chairs of each sub-committee.

6.2 As membership of the Committee is by position as outlined in paragraphs 2.1 and 6.1, the term on the Remuneration Committee is determined by the term of the Chairs and Vice Chairs. Similarly reappointment shall be determined by reappointment to those roles.

6.3 A member may at any time, by notice to the Clerk to the Board of Governors, resign his or her membership.

## 7. VACANCIES

Upon the occurrence of a vacancy or expected vacancy amongst Members it shall be for the Board of Governors to select and appoint a person to fill the vacancy.

## 8. **APPOINTMENT OF CHAIR & VICE CHAIR**

- 8.1 The Chair of the Corporation shall be Chair of the Committee.
- 8.2 The Vice Chair shall be appointed by the Board of Governors (after consultation with the Chair) and shall serve for two years. He/she will be eligible for a second and subsequent terms.
- 8.3 If the Chair is absent from any meeting of the Committee, the Vice Chair shall assume the role. If the Vice Chair is also unavailable those members present shall choose one of their number to act as Chair for that meeting.

## 9. **QUORUM**

- 9.1 Meetings of the Committee shall be quorate if **three** or more Members are present.
- 9.2 If the number of Members in attendance for a meeting of the Committee does not constitute a quorum, the meeting shall not be held and a new meeting date shall be set.
- 9.3 If during the course of a meeting the number of Members thereof present cease to constitute a quorum, the meeting shall be terminated forthwith.

## 10. **AUTHORITY**

- 10.1 The Committee is authorised by the Board of Governors to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee of the College and all employees of the College are directed to co-operate with any request made by the Committee.
- 10.2 The Committee is authorised by the Board of Governors to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with the relevant experience and expertise, if it considers this necessary.

## 11. **REPORTING PROCEDURE**

The Clerk to the Committee shall circulate minutes of the meetings of the Committee to Members of the Board of Governors, except Senior Postholders, Staff Governors, Student Governor and any other Governors who are employees of the College.