

## **Terms of Reference : Remuneration Committee**

### **Role of the Committee**

The Remuneration Committee is appointed by the Council to assist it in discharging its responsibilities for RCN staff and to maintain the highest possible standards of corporate governance in this area.

The remit of the Committee includes the Chief Executive & General Secretary and members of the UK Executive Team.

### **Main responsibilities**

The role of the Remuneration Committee is:

- To advise on any proposals for major changes to the remuneration policy including the policy for and scope of pension arrangements for all staff and other terms and conditions of employment (benefits);
- To agree the remuneration and terms of employment of the Chief Executive & General Secretary and Directors of the RCN;
- To monitor and evaluate the performance of the Chief Executive & General Secretary and individual Directors;
- To ensure there is an executive business continuity plan in place

### **Main tasks**

- To advise on any proposals for major changes to the remuneration strategy
- To include pension arrangements and other terms and conditions of employment (benefits).
- To review and note annually the remuneration trends across the RCN and work closely with the Finance and Corporate Services Committee on staff numbers, general levels of salary increase and overall cost within the organisation.
- To determine and agree the framework for the remuneration of the Chief Executive and UK Executive Team.
- To establish and annually review the remuneration of the Chief Executive and UK Executive Team in light of the agreed remuneration policy, individual contribution and the prevailing employment market. The Chief Executive will make recommendations to the Committee with respect to UKET remuneration. The Chair of Council will make recommendations with respect to the Chief Executive's remuneration. No individual will be involved in any decisions as to their own remuneration.
- In accordance with the Financial Standing Orders to review reports from the Director of HR for information on ex-gratia and compromise agreements over £50,000 and all redundancy payments.
- To provide advice to the Chief Executive, as required, on major policy issues affecting the remuneration of staff below UK Executive Team level.
- To keep the executive succession plan for senior managers under review to ensure that the RCN maintains a high calibre senior team. Committee members will be

advised of all senior appointments pending, and management's chosen candidate prior to formal appointment.

- To agree the content of service agreements used for the employment of Directors.
- To ensure the remuneration strand of the Council Development Programme is focussed on the right areas of the Committee's role and responsibilities.
- To produce a report on the RCN's remuneration policy and practices which will form part of the RCN's Annual Report.
- To review once a year its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Governance Support Committee and Council for approval.

## **Reporting**

The Committee Chair shall report formally to Council on its proceedings after each meeting on all matters within its responsibilities. It will make recommendations to Council on any area within its remit where it considers action or improvement is needed.

The Chair of the Committee will attend the AGM each year to answer any questions from the membership about all matters within its responsibilities.

## **Authority**

The Committee is authorised by Council to take external professional advice as it deems necessary to help it fulfil its obligations.

## **Meetings**

1 x Meeting a year.

## **Term of Office**

A member of the Committee should serve for a maximum of four years.

## **Membership**

The Committee should have 4/5 members – 3 members of Council and at least one external adviser who should have specific skills relevant to the Committee's work.

The Honorary Treasurer should be an ex-officio member.  
Other Council Members (including the President and Chair of Council) should only attend at the invitation of the Chair

## **Attendance**

The Chief Executive & General Secretary and Director of HR should attend all meetings but should not be involved in any discussions about their remuneration.  
Other staff should only attend at the invitation of the Chair  
The Director of Governance Support will be the Secretary to the

Committee

### **Quorum**

The quorum necessary for the transaction of business is 3 – 2 Council Members and 1 external adviser

### **Qualities and Experience**

Each member will possess the following qualities

#### **Essential Qualities**

- Independence of Management
- No personal interest in the outcome of the Committee's decisions
- Integrity
- Capacity to dedicate sufficient time and energy
- Ability to give direct and honest opinions and add value to decision making
- The forcefulness and tenacity to ask a direct question, insist on a straight answer and hold candid discussions with management
- Inquisitiveness and independent judgement
- Ability to offer different perspectives and constructive suggestions
- Ability to bring personal knowledge and experience to bear
- An understanding of the environment in which the RCN operates

#### **Desirable Skills and Experience**

The Committee overall should encompass skills and experience directly relevant to the work of the Committee: including

- remuneration strategy in a large organisation
- trade union experience
- pensions experience and knowledge
- making senior appointments and managing senior teams

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