

## Terms of Reference: Group Remuneration Committee

### 1. Name of Committee

Group Remuneration Committee.

### 2. Purpose

The RCN Council (“Council”) has established the Group Remuneration Committee in accordance with Schedule Rule 2.1 of the *Royal Charter*.

And in furtherance of its powers, described within the *Royal Charter*, to support Council in their powers to engage and pay employees and professional or other advisers and make reasonable provision for the payment of pensions and other retirement benefits to, or on behalf of, employees and their spouses and dependants.

The main purpose of the Group Remuneration Committee is to conduct governance functions as aligned to remuneration as delegated by Council.

### 3. Delegated responsibilities

#### 3.1 The main responsibilities of the Group Remuneration Committee are:

- a) To advise on any proposals for major changes to the remuneration package including pay, pension and benefits.
- b) To note remuneration trends across the RCN Group including general levels of salary increase.
- c) To determine and agree the framework for establishing the remuneration of the General Secretary & Chief Executive.
- d) To annually review and approve the Chair of Council’s recommendation regarding the remuneration of the existing General Secretary & Chief Executive
- e) To determine and agree the maximum reward package available to any newly appointed General Secretary & Chief Executive.
- f) To determine and recommend to Council the process to appoint any new General Secretary & Chief Executive.

- g) To review the determination of the RCNi Board regarding the remuneration of the RCNi Managing Director, and to review and approve the remuneration of RCNi Board members.
- h) To review ex-gratia and settlement payments over £50,000 and all redundancy payments.
- i) To provide advice to the General Secretary & Chief Executive and the RCNi Managing Director on major policy issues affecting the remuneration of staff.
- j) To receive information and analysis relating to RCN Group remuneration.
- k) 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 Committee and Council for approval.
- l) To be sighted on the compensation payments for the RCN Chair of Council and the RCN President on an annual basis or when arrangements change, whichever is sooner.

No individual will be involved in any decisions as to their own remuneration.

#### 4. Reporting and accountability

- 4.1 The Group Remuneration Committee is responsible and accountable to RCN Council for all aspects of its governance responsibilities.
- 4.2 Formal minutes of the meetings will be kept and approved at subsequent meetings of the Group Remuneration Committee.
- 4.3 In accordance with Rule 2.3 in the *Royal Charter* the deliberations of the Group Remuneration Committee shall be reported to Council and any resolution passed or decision taken shall be reported to Council.
- 4.4 The Group Remuneration Committee will make recommendations to Council on any area within its remit where it considers action or improvement is needed.
- 4.5 Formal minutes of meetings of the Group Remuneration Committee will be included in Council papers for information. Associated papers will be made available to Council at their request through the Chair of Council.
- 4.6 At the request of RCN Council, the Chair of the Group Remuneration Committee will attend a designated section of Council meetings to deliver Group Remuneration Committee updates.

- 4.7 The Chair of the Group Remuneration Committee will attend the AGM each year to answer any questions from the membership about all matters within its responsibilities.
- 4.8 The Group Remuneration Committee is authorised by Council to take external professional advice as it deems necessary to help it fulfil its obligations.
- 4.9 As a general rule, all members of the Group Remuneration Committee are to be involved generally in all decision making unless there is prior agreement by a majority of the Group Remuneration Committee to delegate specific decisions to the Chair of the Group Remuneration Committee.
5. Meetings and quorum
- 5.1 The Group Remuneration Committee will meet at least twice a year. The dates of the meetings shall be agreed by RCN Council that in which the meetings are to be held.
- 5.2 The quorum necessary for the transaction of business is four, to include at least two RCN Council Members (which could include the Chair of the Group Remuneration Committee and the Honorary Treasurer) and at least one external adviser.
- 5.3 At least one of the General Secretary & Chief Executive, Chief Financial Officer and Chief People Officer should attend all meetings but they are not members of the Group Remuneration Committee and should not be involved in any discussions about their own remuneration.
- 5.4 Other staff and Council Members (including the President and Chair of Council) should only attend at the invitation of the Chair of the Group Remuneration Committee.
- 5.6 The rules and procedures in the *RCN Meetings policy and process* apply to this Committee.
6. Membership
- 6.1 The Group Remuneration Committee should have a minimum of seven members:
- Three members of RCN Council, who are not the Honorary Treasurer;
  - The Honorary Treasurer (ex-officio);
  - One member appointed from and by each of the Boards of the RCN Foundation and RCNi; and

- At least one external adviser who should have specific skills relevant to the Group Remuneration Committee's work.

## 7. Observers

7.1 Observers may attend meetings at the discretion of the Chair of the Group Remuneration Committee. Observers can speak and/or participate in the meeting only with the permission of, or at the request of, the Chair.

7.2 Individuals attending in observer status may receive those papers relating to the areas relevant to their observer role, at the discretion of the Chair of the Group Remuneration Committee.

## 8. Election/appointment to the committee

8.1 Elections/appointments to the Group Remuneration Committee will be conducted in accordance with the *RCN's Elections and Appointments Policies* and Processes and with the specific procedure for each election/appointment.

## 9. Terms of office

9.1 Terms of office will be for two years (Council members) and four years (external advisers) except for casual vacancies which will be to the end of the vacant term.

9.2 The *RCN Regulation on Terms of Office* shall apply in respect of serving more than one term.

## 10. Mid-Term (casual) vacancies

10.1 A casual vacancy on the Group Remuneration Committee shall be filled in accordance with the *RCN's Appointments Policy and Process*.

## 11. Chair

11.1 In accordance with Rule 2.2 in the *Royal Charter* the Group Remuneration Committee shall have a Chair.

11.2 Council shall elect the Chair from one of its own Members.

11.3 The terms of office for the Chair of the Group Remuneration Committee shall be for two years.

11.4 The *RCN Regulation on Terms of Office* shall apply in respect of serving more than one term.

- 11.5 The Chair of the Group Remuneration Committee must relinquish this role at the end of the term of office for the role, or if, for whatever reason, they cease to be a member of the Group Remuneration Committee/RCN Council including reaching the end of their term of office.
12. Staff support, advice, and guidance
- 12.1 The lead Executive Director will be the Chief People Officer who will ensure support and advice to the Group Remuneration Committee as appropriate.
- 12.2 Group Remuneration Committee members and staff will work together positively and constructively, in line with the *RCN's Respect Charter*, to deliver the purposes of the Committee and within the RCN's governance operating structures.
- 12.3 In the unlikely situation where key professional advice presented by staff is not accepted by the Group Remuneration Committee, the advice, and reasons for not accepting the professional advice will be fully documented in the minutes of the meeting. Should the responsible director conclude this position poses a risk to the organisation and its members, the circumstances will be brought to the attention of the General Secretary & Chief Executive who will assess the seriousness of the position and advise the Chair of Council accordingly. Should a resolved position not be reached the matter will be escalated to Council for a determination on the way forward.
- 12.4 The Executive Director of Governance will ensure Secretariat support.
13. Removal from the Committee
- 13.1 A Group Remuneration Committee member may be removed before the end of their term of office on the grounds if they:
- a) have exceeded their powers in a way that is detrimental to the RCN and/or RCN Group
  - b) have failed to discharge their duties
  - c) have acted in breach of the RCN's Code of Conduct and/or Respect Charter
  - d) have acted in a manner likely to bring the RCN and/or RCN Group into disrepute
  - e) have failed to attend three consecutive meetings (excluding special ad hoc meetings)
  - f) have any active cautions from the NMC, or other regulator, against their name, are currently subject to any NMC, or other regulator's, sanction, and/or they are subject to any ongoing

disciplinary proceedings with any of their employers or professional disciplinary proceedings before the NMC or another regulator.

g) are subject to ongoing disciplinary proceedings in respect of any role they hold within the RCN Group and/or currently subject to any RCN Group disciplinary sanction.

13.2 The processes for such removal will be in accordance with the *Member Resolution policy* and/or criteria within the relevant constitutional documentation.

Version history:

Set by Council 2010

Amended: 2017

Amended: May 2019

Amended: May 2020

Amended: November 2021

Amended: February 2023

Approved by Council on: 22 June 2023

Reviewed by Group Remuneration Committee: 28 August 2024

Approved by Council on 30 October 2024.

They will be reviewed at the first meeting of the Group Remuneration Committee each year. Any recommended changes will be subsequently approved by RCN Council.

They should be read in conjunction with relevant RCN governance documents, including those referred to above.