

TERMS OF REFERENCE

Group Remunerations Committee

1. Status

The Group Remunerations Committee reports to the Institute's Trustee Board.

2. Purpose

The principal aims of the Committee are:

- 2.1. To make recommendations on whole package salary/bonuses to each Board: Trustee Board and Learning & Development Ltd. Should either Board not accept the recommendations this would be referred back to the RC for further consideration. Any disputes, which cannot be resolved, will be escalated to the Trustee Board, who has the right to seek external guidance.
- 2.2. To establish and review appropriate benchmarks on a periodic basis regarding salaries and other benefits and emoluments of the Group CEO, BCS L&D Managing Director and their Executive direct reports within the BCS group of companies.
- 2.3. To advise on, as appropriate, any severance payment proposed to be made to senior staff [as defined above].

In doing so the Committee will:

- 2.4. Ensure that the Committee's activities meet the objects of the Royal Charter
- 2.5. Monitor and report on any risk elements within the remit of the Committee.

3. Key Responsibilities

In support of its purpose the committee will:

- 3.1. Ensure that the whole remuneration packages are set to include salary, bonus, cars, pension and any other benefits or deemed benefits in kind.
- 3.2. Monitor salary benchmarks with due consideration being taken of other schemes in the commercial and charity sector to create a balance between commercial and charitable status.

Items delegated by the Trustee Board to Remuneration Committee:

- 3.3. The Trustee Board may delegate specific matters relating to remuneration to the Committee and also give Remuneration Committee general or specific authority to finalise matters on behalf of the Trustee Board, in which case Remuneration Committee will report back to the Trustee Board.
- 3.4. The Remuneration Committee will support equality of opportunity.
- 3.5. Establish procedures to ensure that RC:

- i. Receives reports and recommendations on remuneration of Executive staff
- ii. Receives appropriate reports concerning pay benchmarks and labour market data.

4. Constitution and Membership

All appointments to the committee, with the exception of the Chair, will be subject to approval by the Trustee Board.

4.1. Voting members of the Committee shall comprise:

- The Immediate Past President (Chair)
- Deputy President
- One independent non-executive director of L&D
- One Professional with HR experience and Remuneration Committee experience from Nominations Committee
- One industry leader from Nominations Committee

4.2. Appointments shall be for a single term of three years maximum which may be extended for a further three years and is dependent upon remaining in the position which attributes them to the Remunerations Committee.

4.3. The quorum shall be three persons one of which must be the Immediate Past President or the Deputy President of the total voting membership of the committee.

4.4. In the event that the approved Chair is unable to chair a Committee meeting, the Deputy President would Chair the meeting for that particular Committee meeting.

4.5. A Committee member who attends a meeting by means of any communication equipment which allows all persons participating in the meeting to communicate effectively with each other for the entirety of any matter under consideration shall be deemed to be present in person for that part of the meeting and shall be entitled to vote or be counted in a quorum accordingly.

4.6. In the event of a tied vote, the Chair shall have an additional casting vote.

4.7. All members must commit reasonable time and effort to the work of the Committee and make reasonable efforts to attend meetings. If a member fails to attend three consecutive meetings the Committee may terminate his or her membership of the Committee, unless the non-attendance was owing to illness or other reasonable cause.

4.8. On the recommendation of the Chair of the Committee, the Trustee Board may cancel or suspend a person's membership of the Remunerations Committee where the member's actions have, in the opinion of the Committee and of the Trustee Board, been detrimental to the work of the Committee.

4.9. Only members of the committee have the right to attend committee meetings. Other individuals such as the Group Chief Executive, the Group Finance Director and external advisers may be invited to attend for all or part of any meeting as and when appropriate.

4.10. The Registrar, or their representative, will act as secretariat to the Remunerations Committee. All meetings shall be formally minuted and a record kept of all reports and documents considered.

4.11. The Remuneration Committee will set out an annual work plan and provide regular updates to Trustee Board.

5. Approval and Review

To maintain maximum effectiveness, the Committee shall at least once a year undertake a review of its own performance, and these Terms of Reference, and it shall make appropriate recommendations to the Trustee Board for approval, as necessary.