

Remuneration Committee Terms of Reference

These Terms of Reference must be read in conjunction with the Instrument and Articles of Government, the Corporation's Standing Orders and the College's Financial Regulations from time to time. They may only be varied by the Corporation.

Membership and Operation

- 1.1 The membership of the Remuneration Committee ("the Committee") shall include the Chair of the Corporation and at least three other Independent Governors. It may also include up to two co-opted members who must be wholly independent of the College. Members of staff, members of the Audit Committee and students of the College are not eligible for membership of the Committee.
- 1.2 Collectively, members of the Committee shall have recent and relevant experience and expertise in strategic reward management.
- 1.3 Only members of the Committee and other Independent Governors have the right to attend Committee meetings. Other individuals, including external advisors may be invited by the Committee, or its Chair, to attend for all or part of any meeting as and when appropriate.
- 1.4 The Governance Director to the Corporation shall act as Governance Director to the Committee.
- 1.5 Any senior post holder present at a meeting of the Committee shall be required to withdraw from that part of the meeting where his/her remuneration is being considered. In the case of the Governance Director, the Deputy Governance Director or a Committee Member will record any decision.
- 1.6 The Committee shall further be entitled, whenever it is satisfied that it is appropriate to do so, to go into confidential session and (subject to the rules as to quoracy set out above) to exclude any, or all, participants and observers.
- 1.7 The Chair and Vice-Chair of the Committee will be selected by the Committee from among its members in accordance with the Corporation's Standing Orders. The Chair of the Corporation shall not be the Chair or Vice-Chair of the Committee.
- 1.8 The quorum for Committee meetings shall be at least 40% of the total membership entitled to attend and vote at meetings of the Committee or any two such members, whichever is the greater.
- 1.9 The Committee shall meet at least twice a year and otherwise as required.

- 1.10 The Committee shall be granted rights of access to obtain all the information and explanations it considers necessary, from whatever source at the College's expense, to fulfil its remit.

The Committee's remit

- 2.1 In all its decision-making, the Committee shall have due regard to:

- a) The use of public funds and the financial health of the College;
- b) Performance and achievement evidenced through each individual's annual appraisal discussion;
- c) Other relevant factors such as pension provision;
- d) The overall performance of the College;
- e) The College's position against national benchmarks;
- f) Salary levels within the sector;
- g) Inflation;
- h) Other environmental factors affecting the College;
- i) The Equality and Diversity Policy; and
- j) The College's Values and the Nolan principles.
- k) The compliance requirements set out in the new Financial Handbook as a condition of the College's accountability agreement.

- 2.2 The Committee shall advise the Corporation on:

- a) appropriate remuneration, other terms and conditions, and bonuses for senior post holders;
- b) the effectiveness of the senior post holder appraisal process and the extent to which performance targets are met;
- c) the adequacy of senior post holder job descriptions;
- d) any concerns in relation to capability or conduct;
- e) senior post holders' career ambitions and development plans;
- f) any compensation (including the augmentation of pension benefits) which may be payable in the event of the early termination of the employment of any senior post holder, with the aim of:
- g) avoiding rewarding poor performance;
- h) dealing fairly with cases where early termination is not due to poor performance;
- i) such other matters as the Corporation may reasonably request.

- 2.3 The Committee shall consider and approve the performance targets and appraisal objectives for senior post holders.

- 2.4 The Committee shall periodically review its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum

effectiveness, compliance with the Senior Post Holder Remuneration Code and recommend any changes it considers necessary to the Corporation for approval.

- 2.5 Notwithstanding the generality of above, where they relate to newly created senior posts or to new appointments, the Senior Post Holder Appointments Committee shall be authorised to make recommendations and decisions regarding remuneration, terms and conditions and job descriptions in place of the Remuneration Committee, as appropriate.

Reporting responsibilities

- 3.1 The Committee Chair shall report to the Corporation on the Committee's proceedings after each meeting on all matters within its remit.
- 3.2 The Committee shall make whatever recommendations to the Corporation it deems appropriate on any area within its remit where action is needed.
- 3.3 The Committee shall produce an annual report on Senior Post Holder remuneration which will be prepared in accordance with the Code of Good Governance and the Senior Post Holder Remuneration Code for the twelve-month period.

Approved by the Corporation on 22 May 2025.