

Remuneration Committee Terms of reference

1. Constitution

- 1.1 The Board of Governors has established a committee of the Board known as the Remuneration Committee.

2. Membership

- 2.1 The Remuneration Committee and its chair shall be appointed by the Chair of the Board, from among the independent governors, and must consist of members with no executive responsibility for the management of the institution.
- 2.2 The Chair of the Board shall not be Chair of the Committee.
- 2.3 There shall be no fewer than three members; a quorum shall be at least two members.
- 2.4 The chair of the Board shall be a member of the committee.
- 2.5 Members should not have significant interests in LSBU.
- 2.6 The committee may, if it considers it necessary or desirable, co-opt members with particular expertise.

3. Attendance at meetings

- 3.1 The Vice Chancellor will be invited to present his/her recommendations to the Remuneration Committee on his/her direct reports. He/she will not be present for any discussion on her/his own remuneration. The Vice Chancellor will not have a role in the final decision on pay and other awards for themselves or other Senior Executives.

4. Definition:

- 4.1 the following definition applies to these terms of reference:
- Senior Executives: senior leaders who report directly to the Vice Chancellor. This group includes the Senior Post Holders as defined in the Standing Orders.

5. Remit of the committee

The responsibilities of the committee are to:

- 5.1 determine the broad policy for the remuneration of LSBU's Senior Executives. No individual shall be involved in any decisions as to their own remuneration;
- 5.2 approve the design of, any bonus scheme for senior executives operated by LSBU and approve the total annual payments made under such schemes;
- 5.3 approve individual objectives for any bonus scheme for the Vice Chancellor based on recommendations by the Chair of the Board;
- 5.4 monitor the objectives set for performance bonuses for the Vice Chancellor and Senior Executives;
- 5.5 within the terms of the agreed policy and in consultation with the Chair and/or Vice Chancellor as appropriate, determine the total individual remuneration package of each Senior Executive, including bonuses, incentive payments;
- 5.6 determine the policy for, and scope of, pension arrangements for each Senior Executive;
- 5.7 approve guidance on severance payments to Senior Executives;
- 5.8 approve a policy on external income for Senior Executives;
- 5.9 oversee any major changes in employee benefits structures throughout LSBU or group;
- 5.10 monitor compliance with the expenses policy for Senior Executives in line with note 8 of the CUC Higher Education Senior Staff Remuneration Code;
- 5.11 ensure that all provisions regarding remuneration as set out in CUC and OfS guidance are fulfilled;
- 5.12 review and note annually the remuneration trends across LSBU and the HE sector;
- 5.13 obtain up-to-date information about remuneration in other comparable organisations; and
- 5.14 approve the HE Senior Executive benchmark set.

6. Reporting responsibilities

- 6.1 The committee chair shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 6.3 An annual remuneration committee report shall be included in the annual report and accounts

7. Authority

- 7.1 The committee is authorised by the board, at LSBU's expense:
 - 7.1.1 to obtain any outside legal or other professional advice; and
 - 7.1.2 within any budgetary restraints imposed by the board, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

8. Secretary

- 8.1 The University Secretary or their nominee shall act as the secretary of the committee.

9. Minutes

- 9.1 The secretary shall minute the proceedings and resolutions of all remuneration committee meetings. Minutes shall be circulated to the members of the committee.

10. Frequency of Meetings

- 10.1 The committee shall usually meet twice a year and at such other times as the chair of the committee shall require.

11. Remuneration policies

- 11.1 in determining any of the policies within its remit the committee shall comply with 'The Higher Education Senior Staff Remuneration Code' published by the CUC (June 2018).

- 11.2 in determining the remuneration policy under 5.1, the committee shall take into account all factors which it deems necessary. The objective of such policy shall be to ensure that the Senior Executives are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of LSBU.
- 11.3 In determining the severance guidance under 5.7 the committee shall comply with the CUC's "guidance on decisions taken about severance payments in HEIs".

Approved by the Board of Governors on 18 October 2018.