



**TERMS OF
REFERENCE

REMUNERATION

COMMITTEE**

REDCAR & CLEVELAND COLLEGE

TERMS OF REFERENCE

REMUNERATION COMMITTEE

1. CONSTITUTION

The Corporation hereby resolves to adopt the following terms of reference for the Remuneration Committee.

2. OBJECTIVES

- 2.1 The Committee shall review and determine the Corporation's policy on executive remuneration and advise on the specific remuneration packages of senior postholders and the Clerk so as to:
 - ensure that senior postholders and the Clerk are fairly rewarded for their individual contributions to the College's overall performance; and
 - demonstrate to the public that their pay is set by a Committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the public and of the financial health of the College.
- 2.2 It shall be responsible for determining the arrangements for the advertising and interviewing of applicants for vacant posts of senior postholders and the Clerk, and for making recommendations thereon to the Corporation.
- 2.3 It shall provide a medium of communication to the public, which is not controlled by College Management.

3. MEMBERSHIP

- 3.1 The Committee shall be appointed by the Corporation and shall consist of six members, as follows:
 - The Chair and Vice-chair of the Board, and the Chair of one other Committee,
 - Three other members of the Board, excluding the Principal and the staff and student members.
- 3.2 A quorum shall be three members.
- 3.3 The Chairman of the Committee shall be elected by this Committee and recommended to the Corporation for appointment.

4. ATTENDANCE AT MEETINGS

- 4.1 The Principal shall normally be invited to attend meetings of the Committee save where his/her remuneration package is being

considered. The Committee may invite other senior postholders to attend meetings when necessary.

4.2 Other Corporation members shall also have a right of attendance save that the Committee may exclude staff and student members and any other Corporation members who are employees of the College.

4.3 The Clerk to the Corporation shall be the Clerk to the Committee.

5. FREQUENCY OF MEETINGS

5.1 Meetings shall be held not less than once a year.

6. AUTHORITY

6.1 The Committee is authorised by the Corporation to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the College and all employees of the College are directed to co-operate with any request made by the Committee.

6.2 The Committee is authorised by the Corporation to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary provided that the Committee may not incur direct expenditure in this respect in excess of £500 without the prior approval of the Corporation. The Corporation may also require experts to be present and to advise when drafting disclosures to be made in the Corporation's report and accounts.

7. DUTIES

7.1 The Committee shall advise the Corporation on the specific remuneration packages of the Principal and other senior postholders including the Clerk, and in so doing shall consider the following component elements:

- basic salary;
- benefits in kind;
- annual bonus/performance related elements;
- pension provisions;
- the main terms and conditions in each senior postholder's service agreement with particular reference to the notice provisions.

7.2 The Committee shall evaluate annually the specific remuneration packages of the Principal and other senior postholders:

- against pre-established performance goals and objectives;
- and
- by benchmarking against the remuneration in other Colleges by the use of published indicators.

For that purpose the Committee will review and assess performance target goals and objectives established before the commencement of the relevant period and determine whether such goals and objectives have been achieved at the end of the relevant period.

7.3 The Committee shall advise the Corporation on any compensation (including the augmentation of pension benefits) which may be payable in the event of the early termination of the employment of the Principal or any other senior postholder with the broad aim of:

- avoiding rewarding poor performance; and
- dealing fairly with cases where early termination is not due to poor performance.

8. REPORTING PROCEDURES

The Clerk to the Committee shall circulate minutes of the meetings of the Committee to all Corporation members other than staff and student members.

Adopted October 2008