

Plumpton College

Remuneration Committee

Terms of Reference

(Revised by the Corporation 16 July 2002; 4 October 2005; 26 September 2006; 25 September 2007, 14 July 2009, 30 March 2010)

1 Objective

- 1.1 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 the pay of senior postholders and the Clerk is set by a committee which has no personal interest in the outcome of its decisions and which gives due regard to the interests of the public and of the financial health of the College.
- 1.2 It shall provide a medium of communication to the public, which is not controlled by College Management.

2 Membership

- 2.1 The committee shall be appointed by the Corporation and shall consist of:-
- The Corporation Chairman
 - The Corporation Vice-Chairman
 - Two Corporation Members excluding the Principal, the Staff and Student Members.
- 2.2 A quorum shall be three members.
- 2.3 The chairman of the committee shall be Corporation Chairman and the Vice-Chairman shall be the Corporation Vice-Chairman.

3 Attendance at Meetings

- 3.1 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.
- 3.2 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.
- 3.3 The Clerk to the Corporation shall be the Clerk to the Committee.

4 Frequency of Meetings

- 4.1 Meetings shall generally be held once a year but members may reach a consensus by correspondence and the Chairman produce a report of this on behalf of members with recommendations submitted to Corporation for approval.

5 Authority

- 5.1 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.
- 5.2 The Committee is authorised by the Corporation to obtain 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 £5,000 without the prior approval of the Corporation.

6 Duties

- 6.1 The Committee shall advise the Corporation on the specific remuneration packages of the senior postholders and 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 the Clerk's and each senior postholder's service agreement, with particular reference to the notice provisions.
- 6.2 The Committee shall evaluate the specific remuneration packages of the senior postholders and the Clerk against:
- pre-established performance goals and objectives; and
 - an appropriate peer group.

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.

- 6.3 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, the Clerk 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

- 6.4 The Committee shall review on a continuing basis the Corporation's policy in relation to all aspects relating to the remuneration of the Principal, the Clerk and other senior postholders, and shall set out such policy in the annual report.

Such report will be open to public inspection and shall in particular set out:-

- . the Corporation's policy on the remuneration of senior postholders including levels, comparator groups of colleges, component elements, performance criteria and compensation commitments on early termination;
- . full details of the main component elements in the specific remuneration packages of each senior postholder by name, such as salary, benefits in kind, individual bonuses and pension entitlements;
- . any service agreements which provide for, or imply, notice periods of more than one year (or any provisions for pre-determined compensation in terms which exceed one year's salary and benefits) together with an explanation of the reasons for any longer notice period.

7 Reporting Procedures

The Clerk to the committee shall circulate the minutes of the meetings of the Committee to all Corporation Members.