



CORPORATE BOARD
REMUNERATION AND PEOPLE COMMITTEE
TERMS OF REFERENCE

1. Constitution

1.1 The Remuneration Committee is constituted as a Committee of the Board of Gov Facility Services Ltd

2. Authority

The Committee is authorised by the Board to:

2.1 Undertake business within its Terms of Reference

2.2 Seek any pay information it requires from any employee (all employees are directed to co-operate with any requests made by the Committee)

2.3 Obtain external legal or other professional advice where deemed appropriate

2.4 Secure the attendance of anyone it considers has relevant experience, expertise or knowledge

3. Membership

3.1 The membership and terms of reference of each Committee shall be determined by the Board and reviewed by the Board at least annually, except that:

3.1.1 The Directors will ensure that the Committee shall include, as a minimum, at least one Non-Executive Member of the Board, who will be appointed as Chair of the Committee

3.1.2 The quorum for a meeting of any Committee shall be not less than three (3) Committee members, of which one must be a Non-Executive Director

3.2 Only members of the Committee have the right to attend Committee meetings. However the Committee can invite additional attendees if required.

3.3 Appointments to the Committee are made by the board and shall be reviewed on an annual basis.

3.4 The Board shall appoint the Committee Chairman who shall be an Non-Executive Director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.



CORPORATE BOARD
REMUNERATION AND PEOPLE COMMITTEE
TERMS OF REFERENCE

The Chairman of the Board shall not be Chairman of the committee - the chair of the board may also be a member of the remuneration committee if they were considered independent on appointment as chair of the Board, but may not chair the committee.

Committee members –

Chair of the Committee (who should be a Non-Executive Director)

2 x Non Executive Directors (Chair of the Board and Chair of the ARAC)

Standing Invited guests -

People Director

CEO

4. Attendance

4.1 In addition to the members, it is expected that the Chief Executive shall normally attend meetings of the Committee. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

4.2 Neither the Chief Executive nor any Executive Director shall be present during discussions in relation to their own remuneration, performance and terms of service.

5. Frequency

5.1 The Committee shall meet as required but no less than twice each financial year.

5.2 Additional meetings can be called as required by the Chair of the Committee.

6. Notice of meetings

6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an Agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other Non-Executive Directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

7. Minutes of meetings



CORPORATE BOARD
REMUNERATION AND PEOPLE COMMITTEE
TERMS OF REFERENCE

7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

7.2 Draft minutes of Committee meetings shall be circulated to the Committee Chair for initial review and within 5 working days of the meeting, then shared with all committee members; final approval will be made at the next meeting.

8. Remit

The Committee will:

8.1 In line with the Gov Facility Services Ltd Pay and Reward Structures determine the remuneration and other contractual arrangements for the Chief Executive and Executive Directors. This should ensure that they are fairly rewarded and their terms of service are competitive and appropriate.

8.2 The Committee should approve the remuneration and contractual arrangements for other senior manager posts attracting a salary over £90,000 including additional allowances. This applies to permanent, fixed term and interim appointments. The Committee will also review annually all salaries over £90,000 including those posts which are taken above £90,000 by the application of additional bonus arrangements.

8.3 Within the guidelines established by Gov Facility Services Ltd, agree performance bonuses and any additional responsibilities payments for the Chief Executive and Executive Directors.

8.4 Ensure adequate arrangements are in place for the Chair of the Board to evaluate the performance of the Chief Executive and for the Chief Executive to evaluate the performance of Executive Directors. This must be undertaken on an annual basis and used as evidence to support any proposed salary increase or award of a bonus payment.

8.5 In line with Gov Facility Services Ltd guidance, oversee and advise the Board on termination and severance arrangements in relation to the Chief Executive and Executive Directors.

8.6 In accordance with the Gov Facility Services Ltd delegated authority limited to ALBs, in advance of submission to Her Majesty's Treasury, the Remuneration Committee shall approve:

- redundancies with capitalised costs over £90k
- payments in Lieu of Notice (PILON) £50k or above

8.7 Ensure appropriate details of Board Members' remuneration and other benefits are accurately published in the Annual Report.

8.8 Consider proposals about any major changes to the employee benefit and reward structure



8.9 Approve the annual pay review bill for Gov Facility Services Ltd prior to submission to MoJ

8.10 Agree any changes in employment benefits payable to Gov Facility Services Ltd employees

8.11 The Rem Co will operate as a complimentary forum, not a replacement for Board discussions on key people matters:-

Some items are included in the RemCo remit for the correct discharging of selective governance requirements, where the RemCo is deemed to be the most appropriate forum for these matters to be discussed, reviewed and formally approved.

- i) **Promotion of Fair pay, recognition and reward**
 - 1. Pay strategy
 - 2. Annual pay / bonus review
 - 3. Pay banding
 - 4. External Benchmarking
- ii) **Promotion of Equality, Diversity & Inclusion**
 - 1. Supportive policy, guidelines
 - 2. Gender Pay Gap reporting and actions
 - 3. Inclusive Recruitment Principles
- iii) **Talent, succession and organisational capability review**
 - 1. Annual review of senior talent and succession and resulting actions
- iv) **Executive Pay, Performance and Appointments**
 - 1. Executive salary and bonus proposals
 - 2. Annual review and calibration of proposed Executive team performance ratings
 - 3. NED involvement in review / approval of Executive Appointments
- v) **Standing items – organisational health**
 - 1. Recruitment and retention (per meeting)
 - 2. Employee demographics, key trends (annual update)
 - 3. People dashboard / health-check (annual update)

9. Nominations

9.1 Regularly review and make recommendations to the Board with regard to any changes to the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, both executive and non-executive, to ensure the continued ability of the organisation to deliver its strategic objectives

9.2 Offer suitable advice and information to support the process operated by Gov Facility Services Ltd for the appointment (or proposed re-appointment) of the Chair or Non-Executive Members of the Board.



9.3 To identify and nominate, for the approval of the Board, candidates to fill executive Board vacancies as and when they arise. This should include, but is not limited to, evaluating the skills, experience and knowledge of current Board members when seeking new directors in order to attract individual who will bring what is needed to the Organisation to enhance its effectiveness

When appointing to the role of Chief Executive, the Committee will support the Chair of the Board as necessary.

9.4 Consider Executive development and succession planning, taking into account:

- The view of Board Members and the Chief Executive
- The challenges and opportunities facing Gov Facility Services
- The skills and experience required for the future

Succession should be an annual and well structured process. A dedicated meeting should be arranged annually to cover this topic in detail.

9.5 Annually review the time commitment required from non-executive directors and ensure that this is included in letters of appointment.

9.6 In considering any recommendations, the Committee shall have due regard to the Organisation's commitment to equality, diversity and inclusion.

10. Reporting

10.1 The Chair of the Committee shall report on the business of the Committee at the next formal Board meeting. Confirmed minutes, or a summary if deemed too confidential, shall be submitted to the Board. A verbal update is acceptable.

11. Review

11.1 These Terms of Reference will be reviewed at least every 12 months, within each financial year and subsequent to any major changes, by the Secretariat in consultation with the Chair and put to the Board for approval.

11.2 The Chair of the Board will assess the performance of the Chair of the Remuneration Committee at least annually.

11.3 The Committee's Terms of Reference may be amended at any time by the Board, in line with the Board framework agreement



CORPORATE BOARD
REMUNERATION AND PEOPLE COMMITTEE
TERMS OF REFERENCE

The UK Corporate Governance Code

The Code states that:

‘There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors.’

It also provides that:

‘The board should establish a remuneration Committee ... [which] should make available its terms of reference, explaining its role and the authority delegated to it by the board.’