

# Terms of Reference Remuneration Committee

## Constitution

The Committee has been established by resolution of the Board of Trustees of the Charity (the "Board") and is to be known as the "Remuneration Committee".

## Purpose

The Committee sets the chief executive and the executive team's remuneration and considers HR policy and related matters, including pensions.

## General Responsibilities

The Remuneration Committee shall be responsible for all elements of the remuneration of the executive team, including pension rights and compensation (i.e. damages) payments. The Remuneration Committee should also recommend and monitor the level and structure of the remuneration for the senior management of the Charity and its subsidiaries. The senior management for this purpose is determined by the Board.

## Membership

The Board shall appoint the Chairperson of the Committee (the "Chairperson")

The members of the Committee shall be appointed by the Board and consist of at least two Board members and at least one member of the Executive team.

The Committee has the power to co-opt up to three additional members and will endeavour to appoint at least one external member.

A quorum necessary for the transaction of business is two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Appointments to the Committee shall be for a period of three years, with a maximum of two consecutive three year terms, after which there will be a minimum of a one year break.

The Board shall regularly review the membership of the Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals.

The Committee shall be provided with appropriate and timely training, both to induct new members to the Committee and or existing members, where necessary.

If members of the Executive team or senior management are involved in advising or supporting the Committee, that Role should be clearly separated from the one they hold within the business and care should be taken to recognise and avoid conflicts of interest.

## Attendance and frequency of meetings

- Meetings shall normally be held at such times as the Remuneration Committee deems appropriate and in any event shall be held not less than twice a year.
- At least one meeting shall be held for the purpose of preparing and reviewing the executive team's remuneration report.

- However, other individuals, such as the Chair of the Board, chief executive, members of senior management, the head of human resources and external advisers, may be invited by the Remuneration Committee to attend for all or part of any meeting, as and when appropriate and necessary.
- No executive shall be involved in any decisions as to his or her own remuneration.

### Agenda and Papers

- The Secretary shall record the proceedings and resolutions of all meetings of the Remuneration Committee, including the names of those present and in attendance.
- The Secretary shall circulate the draft minutes of such meetings to all members of the Remuneration Committee promptly.
- Once agreed, the minutes shall be circulated by the Secretary to all members of the Board, unless the Remuneration Committee decides it would be inappropriate to do so.

### Reporting

The Chairperson shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. Action points of each meeting will be made available to all relevant parties.

### Specific Responsibilities of the Committee

- to determine the policy for the remuneration ("the Policy") (including benefits, pension arrangements and termination payments) of the chief executive officer, the executive members, and the senior management of the Charity and its subsidiaries
- to determine the Charity's policy on the duration of contracts with executive members, and notice periods and termination payments under executive member contracts, with a view to ensuring that any termination payments are fair to the individual and the Charity or company, that failure is not rewarded and the duty to mitigate loss is fully recognised.
- to consider and make recommendations in respect of any other terms of the service contracts of the executive team and any proposed changes to these contracts, and to review the Company's standard form contract for executive directors from time to time.
- within the terms of the agreed framework or Policy to determine the total individual remuneration package of each executive member, and the senior management of the Charity, including, where appropriate, bonuses, incentive payments, share options, other share awards and pension arrangements.
- having regard to the provisions of the Governance Code, to advise on and determine all formulae and targets for performance-related schemes operated by the Company, the methods for assessing whether performance conditions are met and the eligibility of executive members for annual bonuses and benefits under long-term incentive schemes and approve the total annual payments made under such schemes.
- to consider any other matters relating to the remuneration of or terms of employment applicable to the executive members of the Charity and the senior management of the Company and referred to the Remuneration Committee by the Board.
- when setting the Policy for executive members, review and have regard to pay and employment conditions across the Charity or group, especially when determining annual salary increases.
- to obtain reliable, up-to-date information about remuneration in other companies / charities.
- to be aware of and oversee any major changes in Policy or employee benefit structures throughout the Charity or group.

- to review the ongoing appropriateness and relevance of the Policy for the chief executive officer, the executive team and the senior management of the Charity.
- to help it fulfil its obligations, the Remuneration Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary. The Remuneration Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee at the expense of the Charity but within any budgetary restraints imposed by the Board.
- to assist in the drafting of the section in the Company's Annual Report relating to the activities of the Remuneration Committee in accordance with the Governance Code and to liaise with the Board in relation to the same.
- to agree the policy for authorising claims for expenses of all directors appointed to the Board.
- to ensure that it is in a position to justify all of its actions and proposed courses of action.
- to promptly provide the Board with relevant information.
- at least once a year to review its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval, in accordance with the Governance Code.
- to ensure that these terms of reference are made available in accordance with the Governance Code.
- to make recommendations to the Board on any area within its remit where action or improvement is needed.

### Exclusions

The terms of reference of the Remuneration Committee do not encompass decisions to appoint, employ or dismiss executives or directors.



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