

## Remuneration Committee

### Terms of reference and standing orders

Responsible Officer	<i>Business Planning &amp; Resources Director</i>
Author	<i>Corporate Office</i>
Date effective from	<i>May 2011</i>
Date last amended	<i>November 2015</i>
Review date	<i>November 2018</i>

## **Terms of reference**

### ***Overview***

1. The Remuneration Committee ('the Committee') is responsible for ensuring that a policy and process for performance review and remuneration of the Chief Executive, executive directors and centre directors are in place.
2. The work of the Committee will be set in the context of other regulatory agreements, such as schemes of delegation, and will be in line with NICE's Standing Financial Instructions and EL (94) 40 (Codes of Conduct and Accountability).
3. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of external advisers if it considers this necessary.

### ***Duties and responsibilities***

#### **Pay and benefits for the Chief Executive and other very senior staff**

4. The Committee will ensure that pay and benefits for the Chief Executive, executive and centre directors, are determined in accordance with the principles of openness, integrity and fairness, and that senior staff are fairly rewarded for their individual contribution to NICE within affordability constraints. The Committee will take proper regard of NICE's circumstances and performance, and any relevant frameworks or instructions issued by the Department of Health or HM Treasury.
5. The Committee will have delegated responsibility from the Board to confirm the remuneration and terms of service for the Chief Executive, executive and centre directors including:
  - salary
  - performance related pay
  - provisions for other benefits including pensions
  - arrangements for termination of employment and other contractual terms.
6. The Committee will oversee and agree appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of relevant Department of Health or HM Treasury guidance.

7. The Committee will comply with the requirements of the Department of Health Remuneration Committee in undertaking its duties.

### **Performance review system**

8. The Committee will ensure that there is a system of performance review in place for the Chief Executive, executive and centre directors.

### **Standing orders**

#### ***General***

9. These standing orders ('SOs') describe the procedural rules for managing the Committee's work as agreed by NICE. Nothing of these SOs shall limit compliance with NICE's Standing Orders so far as they are applicable to this Committee.
10. Appointment to the Committee (see paragraph 12) is at the sole discretion of the Board, subject to any direction that may be given by the Secretary of State.
11. NICE shall provide all appropriate facilities for members to ensure they have the opportunity to participate fully and equitably in the business of the Committee.

#### ***Membership***

12. The Remuneration Committee shall be made up of 4 non-executive directors and will be chaired by the Chair of the NICE Board.
13. The Associate Director – Corporate Office will act as Secretary to the Committee.
14. The composition of the Committee will be given in NICE's Annual Report in accordance with NICE's Standing Financial Instructions (SFIs).

#### ***Committee members' conduct***

15. Members of the Committee shall be bound by these SOs and will be expected to abide by the seven principles for the conduct of public life as recommended by the Nolan Committee which are:
  - selflessness
  - integrity
  - objectivity
  - accountability

- openness
  - honesty
  - leadership.
16. Committee members shall comply with the Committee's terms of reference, which set out the scope of the Committee's work and its authority.

### ***Other attendees***

17. The Chief Executive, Director of Business Planning and Resources and the Associate Director – Human Resources will be in attendance, except when their remuneration or performance is to be discussed.
18. Other senior staff may be invited to attend for specific issues that do not involve their own remuneration and performance.

### ***Interpretation of the SOs***

19. During the course of the meeting, the Chair of the Remuneration Committee shall be the final authority on the interpretation of the SOs.

### ***Quorum***

20. The quorum is set at 3 members for each meeting. No business shall be transacted unless the meeting is quorate.

### ***Voting***

21. The decisions of the Remuneration Committee will normally be arrived at by a consensus of those members present. Before a decision to move to a vote is made, the Chair will, in all cases, consider whether continuing the discussion at a subsequent meeting is likely to lead to a consensus.
22. Voting, where required, will be by show of hands and decisions determined by a simple majority of those members present at a quorate meeting.
23. The Chair of the meeting will be included in the vote and in the event of a tie, the Chair will have a second, casting vote.

### ***Confidentiality***

24. Confidential information disclosed in Committee should not be discussed with other organisations, the media, or colleagues who are not members of the Committee.

## ***Declarations of interest***

25. All Committee members must make an annual declaration of interests in accordance with NICE's Code of Practice on the Declaration of Interests.
26. All members must make a declaration of any potential conflicts of interest that may require their withdrawal in advance of each meeting.
27. During the course of the meeting, if a conflict of interest with matters under consideration arises, the member concerned must withdraw from the meeting (or part thereof) as appropriate. This will be recorded in the minutes.

## ***Meetings***

### **Frequency and nature of meetings**

28. The Committee will meet as required, but at least once a year.
29. Before each Committee meeting, the Chair shall determine what matters shall appear on the agenda for the meeting.
30. No other business shall be discussed at the meeting except at the discretion of the Chair.

### **Minutes**

31. The minutes of the proceedings shall be drawn up and submitted to the next meeting for approval.

### **Suspension of the SOs**

32. Except where this would contravene any statutory provision, any one or more of the SOs may be suspended at any meeting provided that a simple majority of those present and eligible to participate vote in favour of the suspension.
33. NICE's Audit and Risk Committee shall review all decisions to suspend SOs.

## ***Other matters***

34. The Committee shall be supported administratively by the Corporate Office.

## **Review**

35. These terms of reference and SOs will be reviewed every 3 years. The next review date is November 2018.