

Terms of Reference: Group Remuneration Committee

1. Name of Committee

Group Remuneration Committee.

2. Purpose

The RCN Council has established the Group Remuneration Committee in accordance with Schedule Rule 2.1 of the *Royal Charter*.

And in furtherance of its powers, described within the *Royal Charter*, to support Council in their powers to engage and pay employees and professional or other advisers and make reasonable provision for the payment of pensions and other retirement benefits to, or on behalf of, employees and their spouses and dependants.

The main purpose of the Group Remuneration Committee is to conduct governance functions as aligned to remuneration as delegated by Council.

3. Delegated responsibilities

3.1 The main responsibilities of the Group Remuneration Committee are:

- a) To advise on any proposals for major changes to the remuneration package including the provision for and scope of pension arrangements for all staff and other terms and conditions of employment (benefits).
- b) To critically evaluate the performance of the General Secretary & Chief Executive.
- c) To ensure there is effective succession planning in place for the RCN Executive team.
- d) To review and note annually the remuneration trends across the RCN and work closely with the Group Finance and Investment Committee on staff numbers, general levels of salary increase and overall cost within the organisation.

- e) To determine and agree the framework, and to annually review and approve the remuneration of the General Secretary & Chief Executive and the Executive Team in light of the agreed remuneration policy, individual contribution, and the prevailing employment market. The General Secretary & Chief Executive will make recommendations to the Committee with respect to remuneration of the Executive Team. To review the determination of the RCNi Board regarding the remuneration of the RCNi MD. The Chair of Council will make recommendations with respect to the General Secretary & Chief Executive's remuneration. No individual will be involved in any decisions as to their own remuneration.
- f) To review reports from the Director of People & OD for information on ex-gratia and settlement agreements over £50,000 and all redundancy payments.
- g) To provide advice to the General Secretary & Chief Executive, as required, on major policy issues affecting the remuneration of staff below UK Executive Team level.
- h) To review the content of employment contracts for the employment of Executive Team Directors.
- i) To produce a report on the RCN's remuneration policy and practices which will form part of the RCN's Annual Report.
- j) To receive regular reports and information and analysis relating to the RCN Group Remuneration strategy and pay policy.
- k) To review once a year its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Governance Support Committee and Council for approval.

4. Reporting and accountability

- 4.1 The Group Remuneration Committee is responsible and accountable to RCN Council for all aspects of its governance responsibilities.
- 4.2 Formal minutes of the meetings will be kept and approved at subsequent meetings of the Group Remuneration Committee.
- 4.3 In accordance with Rule 2.3 in the *Royal Charter* the deliberations of the Committee shall be reported to Council and any resolution passed or decision taken shall be reported to Council.
- 4.4 The Committee will make recommendations to Council on any area within its remit where it considers action or improvement is needed.
- 4.5 Formal minutes of meetings of the Committee will be included in Council papers for information. Associated papers will be made

available to Council at their request through the Chair of Council.

- 4.6 At the request of Council, the Chair of the Group Remuneration Committee will attend a designated section of Council meetings to deliver Group Remuneration Committee updates.
- 4.7 The Chair of the Committee will attend the AGM each year to answer any questions from the membership about all matters within its responsibilities.
- 4.8 The Committee is authorised by Council to take external professional advice as it deems necessary to help it fulfil its obligations.
- 4.9 All members of the Committee are to be involved in all decision making unless there is prior agreement by the Committee to delegate specific decisions to the Chair.

5. Meetings and quorum

- 5.1 The RCN Group Remuneration Committee will meet at least twice a year. The dates of the meetings shall be agreed by RCN Council in the year preceding that in which the meetings are to be held.
- 5.2 The quorum necessary for the transaction of business is four, to include two Council Members (including Chair) and one external adviser.
- 5.3 The General Secretary & Chief Executive or Chief Operating Officer should attend all meetings but should not be involved in any discussions about their own remuneration.
- 5.4 Other staff and Council Members (including the President and Chair of Council) should only attend at the invitation of the Chair.
- 5.6 The rules and procedures in the *RCN Meetings policy and process* apply to this Committee.

6. Membership

- 6.1 The Committee should have a minimum of six members:
 - Three members of RCN Council
 - One member appointed from and by each of the Boards of the RCN Foundation and RCNi and

- At least one external adviser who should have specific skills relevant to the Committee's work.
- 6.2 In addition, the Honorary Treasurer should be a member of the committee ex-officio.
7. Observers
- 7.1 Observers may attend meetings at the discretion of the Chair and the agreement of the Committee. Observers can speak and/or participate in the meeting only with the permission of, or at the request of, the Chair.
- 7.2 Individuals attending in observer status will receive those papers relating to the areas relevant to their observer role.
8. Election/appointment to the committee
- 8.1 Elections/appointments to the Committee will be conducted in accordance with the *RCN's Elections and Appointments policies* and with the specific procedure for each election/appointment.
9. Terms of office
- 9.1 Terms of office will be for two years (Council members) and four years (external advisers) except for casual vacancies which will be to the end of the vacant term.
- 9.2 The *RCN Regulation on Terms of Office* shall apply in respect of serving more than one term.
10. Mid-Term (casual) vacancies
- 10.1 A casual vacancy on the Group Remuneration Committee shall be filled in accordance with the *RCN's Process for filling casual vacancies*.
11. Chair
- 11.1 In accordance with Rule 2.2 in the *Royal Charter* the Group Remuneration Committee shall have a Chair.
- 11.2 Council shall appoint the Chair from one of its own Members.
- 11.3 The terms of office for the Chair shall be for two years.

- 11.4 The *RCN Regulation on Terms of Office* shall apply in respect of serving more than one term.
- 11.5 The Chair must relinquish this role at the end of the term of office for the role, or if, for whatever reason, they cease to be a member of the Group Remuneration Committee/Council including reaching the end of their term of office.
12. Staff support, advice, and guidance
- 12.1 The lead Executive Director will be the Chief Operating Officer who will ensure support and advice to the Committee from the People & OD directorate as appropriate.
- 12.2 Committee members and staff will work together positively and constructively, in line with the *RCN's Respect Charter*, to deliver the purposes of the Committee and within the *Operating Framework***.
- 12.3 In the unlikely situation where key professional advice presented by staff is not accepted by the Committee, the advice, and reasons for not accepting the professional advice will be fully documented in the minutes of the meeting. Should the responsible director conclude this position poses a risk to the organisation and its members, the circumstances will be brought to the attention of the General Secretary & Chief Executive who will assess the seriousness of the position and advise the Chair of Council accordingly. Should a resolved position not be reached the matter will be escalated to Council for a determination on the way forward.
- 12.4 The Director of Governance will ensure Secretariat support from the Governance team.
13. Removal from the Committee
- 13.1 A Committee member may be removed before the end of their term of office on the grounds if they:
- a) have exceeded their powers in a way that is detrimental to the RCN
 - b) have failed to discharge their duties
 - c) have acted in breach of the RCN's Code of Conduct and/or Respect Charter
 - d) have acted in a manner likely to bring the RCN into disrepute
 - e) have failed to attend three consecutive meetings (excluding special ad hoc meetings)
 - f) have any active cautions from the NMC, or other regulator, against their name, are currently subject to any NMC, or other

regulator's, sanction, and/or they are subject to any ongoing disciplinary proceedings with any of their employers or professional disciplinary proceedings before the NMC or another regulator.

- g) are subject to ongoing disciplinary proceedings in respect of any role they hold at the RCN and/or currently subject to any RCN disciplinary sanction.

13.2 The processes for such removal will be in accordance with the *Member Resolution policy*.

Version history:

Set by Council 2010

Amended: 2017

Amended: May 2019

Amended: May 2020

Amended: November 2021

Amended: February 2023

Approved by Council on: 22 June 2023

They will be reviewed at the first meeting of the Group Remuneration Committee in 2023. Any recommended changes will be subsequently approved by RCN Council.

They should be read in conjunction with the *Operating Framework for RCN Committees*** and other documents referred to above.

*Note – these terms of reference are subject to ongoing change in line with the implementation of the recommendations of the Council-led governance review (2022). *Scheme of delegation under revision. ** Operating Framework for Committees in development [2023]*