

# **Ormiston Academies Trust (OAT)**

## **Remuneration Committee**

### **Terms of Reference**

**Reviewed and approved by the Board 19 July 2018**

#### **1. OBJECTIVE**

The objective of the committee is to assist the board in determining and keeping under review a framework for the remuneration, benefits and incentives of the Chief Executive Officer, Principals and any other members of the Executive as the Board determines from time to time.

In the absence of any specific determination by the Board the other Executives shall include the National Director of School Improvement, the National Director of Finance, National Director of Estates & Technology, the National Director of HR & Operations and the National Director of Strategy & Quality Director.

#### **2. CONSTITUTION**

- 2.1 The committee shall have terms of reference and powers as the board shall decide and shall act in accordance with any legislation, regulation or direction issued by relevant regulators in particular The Department of Education, Education & Skills Funding Agency, Ofsted, Charity Commission and HMRC.
- 2.2 The Remuneration Committee of the board shall be comprised of a minimum of three members and maximum of 6 members appointed by the board, a majority of which shall be Trustees.
- 2.3 The committee members shall be appointed by resolution of the board. Each member shall continue as a member until a successor is appointed, unless the member resigns, or is removed by resolution of the board or otherwise ceases to be a member of the board.
- 2.4 Where a vacancy occurs at any time in the membership of the committee, it may be filled by the board, and shall be filled by the board if the membership of the committee is less than three members as a result of the vacancy.

- 2.5 The board, or in event of its failure to do so, the committee, shall appoint a Chair from among the committee members. If the Chair of the committee is not present at any meeting of the committee, the Chair of the meeting shall be chosen by the committee from among the members present.
- 2.6 The CEO can attend by invitation only and will be non-voting.
- 2.7 No more than two other individuals shall be co-opted to the committee, by the board but who shall not have voting rights. Such advisory members may serve for a period determined by the board and at the end of that term the board can extend the appointment.
- 2.8 The committee may invite any person to be present at a meeting for any reason or who are specifically determined by the Board. In addition to those listed in 2.6 above, these for the time being are the National Director of HR and Operations. All such people will be non-voting.
- 2.9 The committee will meet as and when required, but at least once a year, and at such other times as the Trust Secretary convenes at the request of a Committee member and shall report directly to a meeting of the board.
- 2.10 The quorum for a meeting is a minimum of two of the appointed committee members.
- 2.11 The committee is authorised by the board to investigate any activity within its terms of reference, to seek any information it requires from any employee and engage any professional advisors in the proper discharging of its duties within the agreed budget for the financial year.
- 2.12 The Chair presiding at any meeting of the committee shall have a vote in all matters considered by the committee. In the event of a tie the motion is defeated.
- 2.13 The committee shall make recommendations or decisions as required for the fulfilment of the board's mandate and those specific responsibilities and duties delegated to the committee.

### **3 COMMITTEE GOVERNANCE**

- 3.1 The committee will receive an agenda and papers at least a week before the meeting unless it is an emergency meeting when shorter notice shall be given providing all committee members are involved in setting the date.

- 3.2 Minutes of all meetings shall be prepared and circulated within 10 working days of the meeting.
- 3.3 Committee members can be present at a meeting via telecommunication.
- 3.4 Committee meetings will be held at times and locations convenient to the members, always considering value for money.

#### **4 DUTIES AND RESPONSIBILITIES**

- 4.1 The Committee shall determine and agree with the Trust Board the framework or broad policy for the remuneration of the Chief Executive Officer, Principals and such other members of the Executive as it determines from time to time. No Director or Executive shall be involved in any decisions as to their own remuneration;
- 4.2 In determining such policy, the Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements and associated guidance. The objective of such policy shall be to ensure that members of the Executive management and principals are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Academy Trust and its progress towards its objectives;
- 4.3 The Committee shall, when setting remuneration policy, have regard to the remuneration trends across the Trust;
- 4.4. The Committee shall have regard to reliable, up-to-date information about remuneration in other comparable commercial and voluntary sector organisations. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Trust Board.
- 4.5. The Committee shall be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 4.6. The Committee shall determine the policy for, and scope of, pension arrangements, service contracts, termination payments and compensation commitments for the Chief Executive Officer, principals and any other Executive as the Board determines from time to time;

- 4.7 The Committee shall oversee any major changes in employee benefits structures throughout the Academy Trust;
- 4.8 The Committee will arrange for the annual performance management of the Chief Executive Officer and receive a report on the outcome of the performance management reviews of principals and other executives as the board determines from time to time.
- 4.9 The Committee will approve bonuses in line with agreed bonus arrangements for the Chief Executive Officer, principals and other Executives as the board determines from time to time
- 4.10 The Committee shall evaluate its performance annually, including any recommendations for the terms of reference, membership and training needs. This evaluation shall be reported to the board.