

Terms of Reference for the Remuneration Committee

As adopted by the Board on 24 September 2012

The following words shall have the meanings shown:

“Committee” shall mean the Remuneration Committee.

“Council” shall mean the CII Representative Council.

“Board” shall mean the CII’s Governing Board.

“Member” or “members” includes members of Council, the Board and Committees.

1. Membership

1.1 Members of the Committee shall be:

1.1.1 The Chair will be appointed by the Board from the Employer members on the Board

1.1.2 The President of the Institute

1.1.3 The Deputy President (President Designate) of the Institute.

1.2 The Chair of the Committee shall be a member of Council.

1.3 Only members of the Committee have the right to attend Committee meetings. Other individuals may be invited to attend for all or part of any meeting, as and when appropriate.

1.4 In the absence of the Committee Chair, the remaining members present shall agree between themselves who is to chair the meeting.

1.5 Appointments of the Committee in respect of 1.1.1 shall be for a term of up to three years, which may be extended, subject to Board approval, for one further three-year term provided the member remains eligible throughout that period.

2. Secretary

2.1 The Head of Secretariat, or his nominee, shall act as the Secretary of the Committee.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members.
- 3.2 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.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least twice a year and at such other times as the Chair of the Committee shall require.
- 4.2 If any member of the Committee fails to attend three consecutive meetings, without good cause, they may be removed from the Committee by the Chair, in consultation with the Board.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chair of the Committee.
- 5.2 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 and any other person required to attend, 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.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to members of the Board, unless a conflict of interest exists.

7. Annual General Meeting

- 7.1 The Chair of the Committee shall attend the Annual General Meeting and be prepared to respond to any questions on the Committee's activities.

8. Duties

- 8.1 The Committee shall, in respect of remuneration, make recommendations to the Board on the following matters:
 - 8.1.1 the framework or broad policy for the remuneration of the executive members of the Board and, as applicable, Chair and members of other committees. No Board or Committee member, nor CII employee shall be involved in any decisions as to their own remuneration;
 - 8.1.2 review the ongoing appropriateness and relevance of the remuneration policy;
 - 8.1.3 approve of the design of, and agree targets for, any performance related pay schemes operated by the CII and approve the total annual payments made under such schemes;
 - 8.1.4 in consultation with the Chief Executive, review the basis for incentive and bonus payments against appropriate criteria;
 - 8.1.5 suggest the policy for, and scope of, pension arrangements for each executive member of the Board;
 - 8.1.6 review contractual terms on termination, and any payments made, are fair to the individual, and the CII, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
 - 8.1.7 review and note annually the remuneration trends across the Financial Services sector;
 - 8.1.8 monitor any changes in employee benefits structures throughout the CII;
 - 8.1.9 recommend the selection criteria, selecting, appointing and setting the terms of reference for remuneration consultants who may advise the committee as appropriate;
 - 8.1.10 recommend the remuneration package, including payment procedures and benefits of any kind, of the Chief Executive and the Finance Director.

9. Reporting Responsibilities

- 9.1 The Committee Chair shall report formally to the Board on its proceedings once per year on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10. Other

- 10.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11. Authority

- 11.1 The Committee is authorised to seek any information it requires from any employee of the CII in order to perform its duties.
- 11.2 The Committee is authorised to obtain, at the CII's expense, outside legal or other professional advice on any matters within its terms of reference.