

Terms of Reference for NRC

NOMINATIONS AND REMUNERATION COMMITTEE (NRC)

1. PURPOSE

The Nominations & Remuneration Committee ('NRC') oversees appointment and remuneration matters on behalf of the Board. This includes arrangements for the nomination and appointment of Board and Committee members and their remuneration, as well as oversight of the CII's overall remuneration framework and budget and monitoring the impact of the CII's approach on diversity, equality and inclusion.

2. AUTHORITY

The Nominations and Remuneration Committee is a Committee of the CII Board from which it derives its authority, and to which it regularly reports.

The Committee has delegated authority from the Board in respect of the functions and powers set out in the Terms of Reference. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

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

3. DUTIES

Nominations. The Committee shall:

- a) Review the ongoing appropriateness and relevance of the CII's nomination policy.
- b) Keep under review the effectiveness of the size and composition of the CII Board and recommend any changes to the Board.
- c) Give consideration to succession planning for members of the Board and its Committees, taking into account the challenges, opportunities and risks facing the CII, its strategy and the skills and expertise needed in the future.
- d) Determine arrangements for the recruitment and selection of candidates to fill Board, Committee and Vice President roles, ensuring that these are fair, open and transparent.
- e) Be responsible for identifying, interviewing and nominating for the approval of the Board candidates:
 - a. to fill vacancies on the Board, including to the roles of CEO and COO;
 - b. to recommend to CII Members for election as Vice President.
- f) Oversee the process for the identification of candidates for the position of Deputy President and nominate a candidate each year for the approval of the Board to recommend to CII Members.

- g) Oversee the process for the identification of candidates to fill Committee member roles and approve their appointments, with the exception of the Chairs of the Committees who are Board members and whose appointments are approved by the Board.
- h) Make recommendations to the Board regarding candidates for the award of Honorary Fellowships.
- i) Make recommendations to the CII President regarding candidates for the President's Award.
- j) Consider the impact of the CII's approach to appointments and pay on diversity, equality and inclusion at the CII by reviewing relevant data reports, and monitoring progress towards achieving its objectives.

Remuneration. The Committee shall:

- k) Determine the CII's remuneration policy and review the ongoing appropriateness and relevance of this.
- l) Recommend the annual People budget to the Board, taking account of data on remuneration trends.
- m) Make recommendations to the Board regarding the remuneration and benefits package for the CEO and COO on their appointment.
- n) Annually review the CEO and COO's annual total individual remuneration package, including bonus awards, informed by annual performance appraisals, and approve any changes required, taking account of benchmarking data.
- o) Determine the appropriate level of remuneration for independent members of the Board and its Committees.
- p) Approve the design, components and objectives of all staff performance-related bonus schemes, including the Executive bonus scheme and Executive Long Term Incentive Plan, to ensure they are transparent and rigorously applied to promote the long-term success of the Institute; and approve the total annual payments made under such schemes.
- q) Approve the principles for staff Sales Incentive Plans and ensure that appropriate arrangements are in place for the governance of such Schemes.
- r) Recommend to the Board the policy for and scope of the CII's pension arrangements for its staff, and ensure that appropriate arrangements are in place for the oversight of the CII's stakeholder pension scheme.

4. MEMBERSHIP

The Committee comprises the following members:

- A Chair of the Committee who shall also be a Member of the CII Board, and be appointed by the Board.
- The Institute's Independent Chair
- President of the Institute
- Deputy President of the Institute

- A member of the Local Institutes National Forum (LINF) appointed for a term of up to three years subject to their remaining a member of the LINF during that time. The Board may fill a casual vacancy for the post of LINF member at any time.
- At least one other independent member with relevant nominations and/or remuneration experience, appointed for a term of three years which may be extended for a further three-year term.

Only members of the Committee have the right to attend Committee meetings.

No members shall be present or involved in any decisions relating to his/her remuneration or appointment.

Staff, including the Chief Executive Officer, HR Director and Governance Director, may be invited to attend meetings but are required to absent themselves from the meeting as appropriate where any conflicts of interest, potential or otherwise, may occur.

In the absence of the Committee Chair, the remaining members present shall elect one of their number to chair the meeting.

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, subject to Board approval.

5. MEETING ARRANGEMENTS

The Governance Director, or their nominee, shall act as the **Secretary** of the Committee.

The Committee shall meet at least twice a year and at such other times as the Chair of the Committee shall require. Meetings may be held in person or by video or telephone conference. Members may participate from any location and be considered present and counted in the quorum accordingly.

The Chair may agree that the Committee transacts an item of business by email. Any decision made via email shall be valid and effective as if it had been passed at a meeting of the Committee provided that details of the proposed business have been given in advance to each member, and a quorum of Committee members participates in the decision.

The **quorum** necessary for the transaction of any business shall be one third of the total number on the Committee, or three members, whichever is the greater. A duly convened meeting of the Committee (or equivalent) 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.

The Committee will usually make decisions by consensus. Where a vote is considered necessary, it shall be determined by a simple majority with the Chair having a casting vote if needed.

Meetings of the Committee shall be convened by the Secretary of the Committee or otherwise at the request of the Chair of the Committee. Unless otherwise agreed, notice of each meeting, including 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 provided to Committee members and to other attendees as appropriate, at the same time.

The Secretary shall **minute** the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

The Committee shall regularly review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

6. REPORTING

The Committee Chair shall report formally to the Board on its proceedings at each Board meeting.

The Committee shall report on its activities in the CII's Financial Statements. This will include a statement regarding progress towards reducing gender and other pay gaps.

The Chair of the Committee shall respond to any questions regarding the Committee's activities received at the CII's AGM or elsewhere.

Approved by the CII Board on 10th December 2020.