

## *One Trust, One Team, Unlocking the Future for All*

### **Terms of Reference for the Remuneration Committee**

The board of trustees (the **Trust Board**) of The Keys Academy Trust (the **Academy Trust**) has established a committee of the Board to be known as the Remuneration Committee (the **Committee**). These are its terms of reference.

The Committee should ensure:

- decisions on executive pay are fair, proportionate, justifiable, and require full Trust Board approval with decisions minuted
- there is a fair, evidence-based process for making pay decisions
- the process for determining executive pay is underpinned by probity, the ethos of public service and public sector values.

#### **Membership**

The Committee will be constituted by the following post holders:

- Up to three Trustees appointed by the Trust Board. Only the Trustee members of the committee shall decide any matter for recommendation to the Board of Trustees

The Committee members will elect a chair (the **Chair**) from the membership of the Committee; the Chair will serve a two year term of office. There is no limit to the number of terms a chair of the committee can serve.

The Chair of the Trust Board shall not be Chair of the Remuneration Committee.

The Committee will be supported by the Trust appointed governance professional.

#### **Attendance**

The Committee may ask any executive to attend meetings of the Committee by invitation, provided that any such executive shall not be permitted to attend any part of a meeting where their remuneration, benefits and/or incentives are discussed.

#### **Voting**

The quorum for each meeting shall be one half of the current membership of the Committee rounded up. Decisions of the Committee shall be taken by a simple majority of those present and voting. The Chair will have a casting vote on an equality of votes. No vote on any matter shall be taken at a committee meeting unless the majority of committee members present are trustees.

The CEO shall attend by invitation only and will not count towards quorum.

#### **Meetings**

The Committee shall meet at least two times a year on such dates as shall be determined by the Committee from time to time, usually in March and November/December, and at such other time as the Trust appointed governance professional shall specify at the request in writing of any two members of the Committee, or as directed by the Trust Board. If a meeting is requested by Committee

## *One Trust, One Team, Unlocking the Future for All*

members, the Trust appointed governance professional will ensure that such a meeting is convened as soon as is reasonably practicable. Meetings will need to be scheduled to coincide with key dates in the Trust's appraisal and pay determination cycle

Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda shall be sent to each member of the Committee and any other person invited or required to attend no fewer than five working days prior to the date of the meeting.

### **Minutes**

Minutes will be taken of the proceedings and resolutions of the Committee. At the beginning of each meeting, the existence of any conflicts of interest shall be declared and minuted accordingly.

Minutes of each Committee meeting will be drafted and sent to the Chair of the Committee within seven days. Once agreed by the Chair, these minutes will be distributed to all members of the Committee including any co-opted members.

Minutes will be made available on the meeting management system for all Trust Board members excluding the CEO, once agreed by the Chair.

### **Authority**

The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Trust Board to obtain outside legal or other independent professional advice and to secure the attendance of any person at any Committee meeting with relevant experience and expertise if it considers this necessary. If the Committee wishes to obtain outside legal advice, the Chair should seek advice from the Trust appointed governance professional in the first instance both in relation to the matter concerned and any retainer agreement in place with existing legal advisors.

### **Duties**

The duties and delegations of the Committee shall include:

- to consider, determine and keep under review a framework or policy for the remuneration (including pension arrangements), benefits (excluding discretionary bonuses or golden handshakes unless approved by DfE) of the Chief Executive Officer and such other members of the Senior Executive Team, and any other Executives as the Trust Board shall from time to time direct
- in determining that framework, to seek evidence of the remuneration, benefits (excluding discretionary bonuses or golden handshakes unless approved by DfE) paid to senior executives in comparable employment within the wider public, commercial and voluntary sectors as well as the MAT sector

## *One Trust, One Team, Unlocking the Future for All*

- to consider the outcome of every appraisal for accountability and development purposes only; performance will not influence pay decisions
- to make recommendations to the Trust Board as to the remuneration, benefit and incentives that should be paid to the Chief Executive Officer and such other senior executives as the Trust Board shall from time to time direct ensuring remuneration decisions are based on role responsibilities, benchmarking, and proportionality, not linked to performance, and that such recommendations do not create an unreasonable retention risk for the executives within the Committee's scope
- to consult with, and make recommendations, on executive pay ranges, remuneration, benefits, incentives and final appointment packages of newly appointed senior executives to the Executive Nominations Committee and Trust Board with support and advice from the Director of Human Resources. The final decision shall lie with the Trust Board
- to scrutinise, review and where appropriate approve relevant policies as directed in the Trust Policy Catalogue and where necessary in liaison with other Trust Board Committees
- to determine the policy for and scope of pension arrangements, service agreements, termination payments and compensation commitments for the Chief Executive Officer and such other senior executives as the Trust Board shall from time to time direct
- review any proposed organisational changes to ascertain any changes to the Executive staff whose pay determinations should fall within the remit of the committee
- advise and input on the development of strategy and policy in relevant matters, as directed by the Trust Board, relating to the recruitment, pay, reward, retention, motivation and development of the Academy Trust's staff
- to consider other topics, as defined by the Trust Board from time to time.

### **Compliance**

- ensure compliance with ATH requirements, including retention of all supporting evidence and minutes for potential DfE scrutiny
- ensure full compliance with the requirements of the Academies Accounts Direction to report on executive pay in the Trustees' Annual Report and Accounts.
- To review on a regular basis its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend to the Trust Board any changes it considers necessary. The Terms of reference should be reviewed at least annually upon publication of the Academy Trust Handbook each year.

In discharging its duties, the aims of the committee are to:

- Liaise effectively with the Governance Professional the Executive Appraisal Committee and CEO where necessary.

The Committee must ensure independent benchmarking validation or advisor involvement as standard practice.