

REMUNERATION COMMITTEE

TERMS OF REFERENCE

UCAS ('THE COMPANY')

Security marking: CONFIDENTIAL

Document owner: Corporate Governance (updated March 2021)

1. Constitution

The Remuneration Committee ('the Committee') will have a minimum of five members, all of whom will be trustees of the Company and will include the UCAS Board Chair and Finance Committee Chair. The Committee may co-opt a member, who is not a trustee of the Company, based on specific skills.

The appointment of the Committee members will be made by the Board on the recommendation of the Nominations Committee and in consultation with the Chair of the Remuneration Committee.

The Board shall appoint the Committee Chair who shall be an independent trustee who should preferably have served on a remuneration committee for at least 12 months. The Chair of the Board shall not be Chair of the Committee.

2. Term

Unless otherwise determined by the Board, a trustee's appointment to the Committee will run concurrently with his or her term of office as a trustee of the Company. A trustee's appointment as a member of the Committee shall automatically cease when he or she ceases to be a trustee of the Company.

Should the Board co-opt a member to the Committee, the period of co-option may be for a period of up to four years, although the Board may extend that period for a maximum of a further four-year period provided the Committee member still meets the criteria for membership. The Board can remove a co-opted member at any time.

3. Quorum and Voting

The Committee will have a quorum of three who must be trustees of the Company.

Decisions at Committee meetings will be made by a majority vote, and each Committee member shall be entitled to one vote. In the event of an equality of votes at a meeting, the Chair will have a casting vote.

In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

4. Duties and Responsibilities

In respect of the Company, any subsidiaries of the Company, and the group as a whole ('the Group'), as appropriate, the Committee shall undertake and be responsible for the following:

- > agreeing and recommending to the Board the Group's remuneration and related policies
- > approving the Group's sales incentive schemes
- > reviewing the ongoing appropriateness and relevance of the remuneration policy
- > in consultation with the Chair and Chief Executive, as appropriate, determining the total individual remuneration package of each executive director including bonuses and incentive payments. The choice of financial, non-financial and strategic measures is important, as well as the exercise of independent judgement and discretion when determining remuneration awards, taking account of company and individual performance, and wider circumstances. No Executive Director shall be involved in any decisions as to their own remuneration
- > agreeing and recommending to the Board total annual payments to be made under the Group's performance-related pay schemes, including the annual staff pay award and its distribution relative to performance ratings, bonuses, and payments made under the sales incentive scheme.
- > at its discretion, receiving and considering representations from the Staff Consultation Group relating to reward and the annual pay award
- > in determining the above reward, pay award, and remuneration, taking into account all factors which it deems necessary, including relevant legal and regulatory requirements and guidance on best practice, obtaining relevant, up-to-date information about remuneration in other companies of comparable scale and complexity, and commissioning and considering market testing information relating to pay awards and CEO/Executive pay
- > receiving annual reports on the level and nature of redundancy and termination payments made to employees at Head of Service and above
- > agreeing and recommending to the Board any major changes to the Group's employee benefit or retirement benefit schemes
- > receiving annual reports on recruitment, turnover, and sickness absence trends, employment conditions, and other related human resources metrics and staff issues
- > determining the policy and scope of pension arrangements for Executives
- > reporting annually to the Board on the work undertaken by the Committee, its performance, constitution, and terms of reference, to ensure it is operating at maximum effectiveness, and recommending any changes it considers necessary for Board approval

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- > making whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

5. Resources

The Committee will:

- > have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for secretarial support and other assistance as required
- > be provided with appropriate and timely training, both in the form of an induction programme for new Committee members, and on an ongoing basis as appropriate.

6. Proceedings

The Committee will meet at least once a year, and otherwise as required.

Meetings of the Committee will be called by the Company on behalf of the Chair, by notice served on the members of the Committee.

The notice of each Committee meeting with the agenda, and any supporting papers, will normally be sent by the Company to the members of the Committee, and any other person attending the meeting as applicable, no later than five working days before the meeting date.

Committee meetings may be held in person or by suitable electronic means agreed by the members of the Committee, in which each participant may communicate with all the other participants.

The consideration of the workforce versus CEO remuneration will be separated to enable distinct meetings to be held. The CEO would not attend the meeting at which their remuneration is decided.

7. Minutes

The Company will minute the proceedings and resolutions of all Committee meetings which will be circulated to all members of the Committee. Once approved, minutes of meetings may be circulated to the Board if the Chair deems it appropriate and/or on request of a member of the Board.

8. Authority and Regulation

In exercise of the powers delegated to it by the Board, the Committee shall conform to any regulations and financial limits within which it is required to operate, as imposed on it by the Board. The Committee shall not exceed such financial limits without the authorisation of the Board.

Unless otherwise determined by the Board, the Committee shall not have authority to take decisions on behalf of the Company or the Group on any matter, but shall make such recommendations to the Board relating to the above duties as it sees fit from time to time.

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

9. In Attendance

The following individuals shall attend the meetings of the Committee:

- > the Chief Executive (non-voting)
- > the Head of HR (non-voting)
- > the Staff Consultation Group (by invitation) (non-voting).

Members of staff may be excluded from any part of the meeting where requested by the Chair or where a conflict of interest pertains.

From time to time other senior members of staff connected with items of business may also be invited by the Chair of the Committee to attend all or part of any Committee meeting. Such members of staff in attendance will not be entitled to vote at any Committee meeting.