

Remuneration and Appointments Committee Terms of Reference

1. Constitution

- 1.1 The Board hereby (13th October 2009) resolves to establish a Committee of the Board to be known as the Remuneration and Appointments Committee.

2. Membership

- 2.1 The members of the Committee will be appointed by the Board from amongst the Non-Executive Directors of TPAS, and will consist of not less than three members. While a member of this committee, no member of the committee will be able to serve on the Audit and Risk Management Committee.
- 2.2 One of the members will be appointed Chairman of the Committee by the Board. If he/she is absent from the meeting, the remaining committee members will appoint from amongst themselves a person to chair the meeting. All members will be appointed for a term of up to three years, which can be extended for up to a maximum of a further three years.

3. Authority

- 3.1 The Committee is authorised by the Board to review and approve any activity within its terms of reference. In so doing, the committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this is necessary within an overall budget of £5,000 per project.

4. Meetings and Quorum

- 4.1 The committee shall meet regularly at least two times in each financial year. The Chairman of the Committee may convene additional meetings as considered necessary.
- 4.2 Two members of the Committee will comprise a quorum for the transaction of business.

5. Attendance

- 5.1 The Chairman and Chief Executive may attend meetings but subject to clause 5.3 will not be members of the committee. The Committee may require any member of staff to attend meetings as it deems appropriate.

5.2 The Committee may ask any or all of those who normally attend and who are not members of the Committee, to withdraw to facilitate open and frank discussion of particular matters. No attendee should be present for discussion of his/her own remuneration and conditions of service.

5.3 When considering new non-executive appointments the Chairman of the Board will chair the Committee and have full voting rights just for this issue.

6. Administration

6.1 The agenda and meeting papers should be issued to members at least seven calendar days prior to the meeting.

7. Secretarial

7.1 Committee secretary support will be provided by a member of the Head of Corporate Services' team.

7.2 The secretary shall minute the proceedings and resolutions of all Committee meetings including the names of those present and in attendance.

7.3 Minutes of every Committee meeting shall be circulated to all members of the committee.

8. Reporting

8.1 The Committee will report back to the Board after each meeting.

8.2 The Committee shall report on its activities, to the extent that it can, without breaching confidentiality, in the TPAS Annual Report and Accounts.

9. Responsibilities

9.1 The Committee shall

- Determine the terms of service and in consultation with the Chairman of TPAS, the setting of performance objectives, the appraisal of performance, and the remuneration, including any annual pay award/ performance bonus, of the Chief Executive. In doing so, it will take account of pay remits and any agreements entered into with DWP;
- Approve the framework surrounding the setting of performance objectives, pay awards (annual or otherwise) and performance bonuses for TPAS Section Heads;
- Agree the policy for authorising claims for expenses from the Chief Executive and Chairman;
- Approve and periodically review the TPAS remuneration policy;
- Approve and periodically review the pay grades for the TPAS staff;
- Approve the annual pay remit for submission to DWP;
- Where appropriate in consultation with DWP, advise the Board on proposals for the annual remuneration for Directors of the Board;
- Approve the recruitment process for the Chairman/ Directors/Chief Executive when a vacancy arises, consulting where appropriate with DWP;
- Be informed of proposals for the recruitment of Section Heads;
- Approve TPAS redundancy policy and subsequent amendments to it;

- Approve and regularly review succession planning policy ;
- Regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes;
- Review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- Be responsible for identifying and nominating for approval of the Board candidates to fill Board vacancies as and when they arise; and
- Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board and Committee meetings.

10. Review

- 10.1** The Committee terms of reference will be subject to annual review. Proposals for amendment to the terms will be submitted to the Board for formal approval.