

REMUNERATION COMMITTEE - TERMS OF REFERENCE

1. Purpose

- 1.1. The purpose of the Remuneration Committee (“RemCo”/“the committee”) is to review and recommend to Council:
 - 1.1.1. the payment of fees to members¹;
 - 1.1.2. assurance that there are adequate processes in place to determine executive remuneration, reward and performance management which are in line with the GOC’s values and principles; and
 - 1.1.3. implications (if any) of how the Committee’s work contributes to Council’s ability to fulfil its duties under the Equality Act and other relevant legislation and guidelines.
- 1.2. The Committee will also review and approve:
 - 1.2.1. the level of remuneration and payments to be made in relation to pensions, gratuities or superannuation schemes to the Chief Executive and Registrar and other members of the Senior Management Team²;
 - 1.2.2. the process of appraisal for the Chief Executive and Registrar and other members of the Senior Management Team;
 - 1.2.3. policies on Travel, Accommodation & Subsistence and Witness Expense Claims (the ‘expenses policy’);
 - 1.2.4. relevant sections of the annual report in relation to Council members remuneration and expenses ensuring that they meet best practice requirements; and
 - 1.2.5. selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee, taking into account any relevant GOC policies.

2. Membership, Chair, Secretary and Quorum

- 2.1. The Committee shall comprise of up to four members, but may operate with fewer while a vacancy exists provided the quorum is maintained.
- 2.2. The Committee will include the Senior Council member (ex-officio), the Council Chair

¹ Members are individuals who work with the GOC who are neither employees nor contractors (as defined by their contract with us).

² The Senior Management Team includes the Chief Executive and Registrar, the Director of Strategy, the Director of Resources and the Director of Fitness to Practise.

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(ex-officio) and one other Council member and one fully independent³ external member

- 2.3. The Senior Council member will Chair the Committee.
- 2.4. The Chair and members of the Committee (with the exception of the two ex-officio members) will be appointed by Council for a period of up to three years, extendable by one additional period of three years. Appointments will be made by Council, in consultation with the RemCo Chair, and expiration dates will be staggered to ensure continuity.
- 2.5. Only members of the Committee have the right to attend and participate at Committee meetings. However, other individuals such as the Chief Executive and Registrar, Director of Resources, or other advisers considered appropriate by the Chair may be invited to attend for all or part of any meeting.
- 2.6. In the absence of the Committee Chair, the remaining members present (with the exception of the Council Chair) shall elect one of their number to chair the meeting.
- 2.7. A member of the Governance team shall act as the secretary of the Committee.
- 2.8. The quorum necessary for the transaction of business shall be two members. Member's attendance via telephone or video-link is permissible for the purposes of determining a quorum.
- 2.9. 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 as outlined in Section 1 of these terms of reference, or exercisable, by the Committee.
- 2.10. Where the Chair of the Committee considers it appropriate, decisions may be taken by email. An audit trail of decisions taken by email will be maintained by the Governance team.
- 2.11. In the instance of a tied vote and where the Committee has the authority to make a final decision, the Chair will have the casting vote. In the instance of a tied vote where a recommendation is being made to Council, the outcome of the vote will be reported to Council.

3. Frequency and Notice of Meetings

- 3.1. The Committee shall meet at least twice during each financial year.

³ a person who is able to provide a credible and unbiased perspective, who is not a GOC employee or a member of Council or any of its committees and who is not or has never been a registrant of the GOC or an employee of a registrant of the GOC.

- 3.2. Meetings of the Committee, other than those regularly scheduled as above, shall be summoned by the secretary of the Committee at the request of the Committee Chair.
- 3.3. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, 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.

4. Minutes of Meetings

- 4.1. The secretary shall minute the discussion, decisions and actions of all meetings of the Committee, including recording the names of those present and in attendance.
- 4.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee once agreed by the Committee Chair.

5. Duties

- 5.1. The Committee shall:
 - 5.1.1. review and recommend to Council the fees payable to its members⁴, which will include the basic fee/allowance payable, eligibility for enhancements on the basic fee (i.e. if a member is a Chair or taking on an additional role), eligibility for bonuses/incentives and compensation arrangements ('loss of office') which will take into account all factors which the Committee deems necessary including relevant legal and regulatory requirements such as guidance from the Charity Commission as well as the provisions of the UK Corporate Governance Code and any associated guidance and include a review of remuneration trends across relevant organisations and/or sectors;
 - 5.1.2. review and approve a policy on expenses (travel, accommodation and subsistence) which applies to the GOC Chair, Council members, Committee members, Hearing Panel members, Education Committee Visitor Panel members, Legal advisers, clinical and other advisers, the Executive and witnesses;
 - 5.1.3. review and approve the level of remuneration to be paid to the Chief Executive and Registrar under paragraph 11(2)(c) of Schedule 1 to the General Optical Council Scheme of Delegation;
 - 5.1.4. review and approve payments to be made in relation to pensions, gratuities or superannuation schemes to the Chief Executive and Registrar as indicated in paragraph 11(2)d of Schedule 1 to the General Optical Council Scheme of Delegation;
 - 5.1.5. review and approve the level of remuneration to be paid and payments to be made in relation to pensions, gratuities or superannuation schemes to the

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Senior Management Team⁵;

- 5.1.6. review and approve the processes of appraising the Chief Executive/Registrar and the other members of the Senior Management Team;
- 5.1.7. provide assurance to Council that the processes which are in place to determine executive remuneration, reward and performance management are appropriate;
- 5.1.8. determine appropriate selection criteria and undertake the selection, appointment and setting of terms of reference for any remuneration consultants who advise the Committee, taking into account any relevant best practice and GOC policies; and
- 5.1.9. consider the implications of how the Committee's work contributes to Council's ability to fulfil its duties under the Equality Act and other relevant legislation.

6. Accountability & Reporting Responsibilities

- 6.1. The Committee is accountable to Council.
- 6.2. The draft minutes of the Committee meeting will be circulated to the next Strictly Confidential Council meeting, along with a report from the Committee Chair highlighting any issues for Council's discussion/consideration.
- 6.3. The Committee will approve a statement in the annual report about its membership, role and remit for the preceding year.

7. Other

- 7.1 The Committee will review its effectiveness to ensure it is operating at maximum effectiveness, including how it is performing against its terms of reference, on an annual basis and report the results to Council.
- 7.2 The Committee will review its terms of reference and recommend any changes it considers necessary to Council every three years.

8. Authority

- 8.1. The Committee has authority delegated from Council to review and approve:
 - 8.1.1. the level of remuneration and payments to be made in relation to pensions, gratuities or superannuation schemes to the Chief Executive and Registrar and other members of the Senior Management Team;
 - 8.1.2. the process of appraisal for the Chief Executive and Registrar and other members of the Senior Management Team;

⁵ The Senior Management Team includes the Chief Executive and Registrar, the Director of Strategy, the Director of Resources and the Director of Fitness to Practise.

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- 8.1.3. policies on Travel, Accommodation & Subsistence and Witness Expense Claims (the 'expenses policy');
 - 8.1.4. relevant sections of the annual report in relation to Council members remuneration and expenses ensuring that they meet best practice requirements; and
 - 8.1.5. selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee, taking into account any relevant GOC policies.
- 8.2. The Committee is authorised by Council to investigate any activity within its terms of reference; and
- 8.3. The Committee is authorised to obtain, at the GOC's expense, outside legal or other professional advice on any matters within its terms of reference.

Prepared by the GOC Governance Team

Approved by Council on 13 May 2015 – Updated with changes requested by Council in February 2017

To be reviewed in March 2017 by the Remuneration Committee.