

Remuneration Committee for PRI Association Board: Terms of Reference

Approved by PRIAB 18 March 2014

PRI Association Board (PRIAB) has established a Committee of the Board, known as the Remuneration Committee, with Terms of Reference as set out below.

1. Purpose

The Remuneration Committee is a committee of PRIAB and its purpose is to ensure that remuneration arrangements support the strategic aims of the PRI Association and enable the recruitment, motivation and retention of staff while complying with the requirements of regulatory and governance bodies, satisfying the expectations of its members and remaining consistent with the expectations of the wider target employee population.

The remuneration of the Board Chair is a PRIAB decision, excluding the chair.

For the terms and conditions relating to the remuneration of the Council Chair, PRIAC shall give a mandate to the Remuneration Committee to give advice to the Council for final decision making on the terms and conditions of the Council Chair.

The Committee's responsibility and authority covers the entire PRI Association and any joint ventures which may be entered into.

2. Membership

All members of the Committee and its Chair shall be appointed by the Board (PRIAB) and comprise no less than two PRIAB members.

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.

The Committee may invite any director, executive or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the fulfilment of its duties.

The Committee will appoint a Secretary to the Committee.

No member of the Committee or person in attendance at a meeting will be present or will participate when matters relating to his or her own remuneration or terms and conditions of service are discussed.

3. Quorum

A quorum shall comprise more than 50% of the Committee.

4. Frequency of Meetings

The Committee shall meet as and when appropriate but not less than two times a year.

The Chair of the Committee may call additional meetings to consider such matters related to its responsibilities as the Committee may consider desirable.

5. Authority:

The Board authorises the Remuneration Committee to:

- a. make recommendations to the Board on strategic policy issues around pay and remuneration;
- b. investigate any matter within its Terms of Reference and make any recommendations which it deems appropriate on any area within its remit where action or improvement is needed;
- c. and to obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference.

6. Duties

The Board authorises the Remuneration Committee to:

- a. give advice to the board for final decision-making on terms of employment of executives, including, without limitation, salaries, bonuses, benefits in kind, and the duration of their contracts;
- b. ensure that the remuneration policies and practice applicable to all staff facilitate the employment and motivation of people of the required quality;
- c. receive evidence on internal and external trends in remuneration and benefits, including where necessary commissioning any reports or surveys aimed at establishing the PRI's market position or exploring particular aspects of remuneration.
- d. approve salary review process and any collective annual increment available for reviews.
- e. give advice to the board for final decision making on any major changes to the benefits policy.
- f. give advice to the board for final decision making on the annual appraisal process and remuneration of the Managing Director.

For the avoidance of doubt, the Committee would not normally be concerned with individual salaries or terms of employment unless they fall outside the scope of agreed policies or delegated authorities.

7. Review

The Committee will conduct an annual review of its performance, ensure that it is provided with sufficient resources to undertake its duties and recommend any changes it considers necessary to the Board for approval.

These Terms of Reference will be reviewed and, where necessary updated, at least once a year.

8. Reporting Procedures

The Secretary to the Committee shall be responsible for reporting to the Board. The minutes of all meetings and resolutions of the Committee shall be circulated to the members of the Committee and to the Board after every meeting. The Secretary will retain copies of the minutes and the papers.