TERMS OF REFERENCE

GROUP REMUNERATION AND NOMINATIONS COMMITTEE

Purpose

The Group Remuneration and Nominations Committee ('the Committee') has been established to:

- Oversee the recruitment, remuneration, employment terms and conditions and severance of the 'Senior Executives' of UK Sport and the UK Sports Institute. This includes the Chief Executive Officer, Deputy Chief Executive Officer and members of the Directors Team of UK Sport, and the Managing Director and members of the Directors Team of UK Sports Institute.
- Oversee the structure and size of the UK Sport and Institute Board and UK Sport Institute Board (together "the Boards") and be responsible for nominations, as well as reviewing the leadership needs of the organisations.

All decisions shall take into consideration the requirements set out in UK Sport's Royal Charter, DCMS Framework Agreement, UKSI Articles of Association, any associated Civil Service guidance, Managing Public Money, the Civil Service Management Code (where applicable) and any delegations provided by the DCMS.

The Committee is a sub-committee of the UK Sport and Institute Board and is accountable for its actions, recommendations and decisions to the Boards.

Membership

The Committee shall comprise at least three members;

- the Chair of the UK Sport and Institute Board;
- the Chair of the UKSI Board; and
- one other UK Sport and Institute Board member who will be the Chair of the Committee.
- Members of the Committee shall be appointed by the UK Sport and Institute Board, in consultation with the Chair of the Committee. The Committee may co-opt further members should it require.

Attendees

Only the members and Secretariat of the Committee have the right to attend the Committee meetings. However, other individuals such as the UK Sport Chief Executive Officer (as Accounting Officer), Deputy Chief Executive

and/or Director of Strategy and Business Enabling, UKSI Managing Director, and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

Terms

Individual terms of appointment to the Committee shall not exceed four years, however members may be re-appointed at the end of their term. The number of terms a member can hold office in the same membership category (e.g. holding office as the Chair of the UK Sport and Institute Board or the Chair of the UKSI Board) shall be limited to two.

Remuneration

UK Sport will offer to reimburse members for the performance of their services as stated in the DCMS Terms and Conditions.

Members will be entitled to be reimbursed for expenses incurred in accordance with UK Sport's Travel and Expenses Policy for attending meetings. The Committee Secretariat will support members in booking travel and accommodation in line with the UK Sport's Travel and Expenses Policy and Guidelines. All expenses must be submitted within two months of being incurred.

Meetings

Meetings will be called by the Chair of the Committee, via the Secretariat of the Committee, as and when they are needed.

The Committee may seek to conduct business by conference call, video link or other electronic means.

The Secretariat of the Committee shall be the UK Sport Head of HR and Employee Engagement.

Papers will normally be issued with the agenda no less than one week in advance of the meeting.

Members and attendees shall not disclose the detailed substance of papers or discussions without the prior written consent of the Chair.

The Secretariat of the Committee shall minute the proceedings and resolutions of all the Committee meetings, including the names of those present and in attendance. Draft minutes of the Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Boards unless it would be inappropriate to do so.

Quorum

A minimum of two members of the Committee will be present for the meeting to be quorate. 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 or exercisable by the Committee.

Responsibilities

Remuneration

- Approve the job descriptions and assist in the recruitment process for Senior Executives or any other senior executive roles that the Committee believes appropriate from time to time;
- Determine and agree with the UK Sport and Institute Board the framework or broad policy for the remuneration and performance management of Senior Executives;
- In determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the DCMS, HM Treasury and Civil Service and associated guidance;

- Obtain reliable, up to date information about remuneration trends, controls and policies in other public sector organisations in order to set and review the remuneration policy and packages of Senior Executives;
- Determine the total individual remuneration package of Senior Executives, including performance related pay and pension arrangements;
- Review the on-going appropriateness and relevance of the remuneration policy to the Senior Executives;
- Review terms and conditions of employment of the Senior Executives including setting and monitoring the policy for Senior Executive expenses;
- Establish the selection criteria and appropriate pay scales and, select, appoint and set the terms of reference for any professional advisors to the Committee;
- Ensure that any matters reserved for DCMS or HM Treasury are observed;
- Ensure that contractual terms on termination for cause, and any severance or material exit payments made, are fair to the individual, and UK Sport and UKSI, that failure is not rewarded and that the duty to mitigate loss is fully recognised, subject to approval of DCMS and/or HM Treasury;
- Work and liaise as necessary with other sub-committees of the Boards;
- Be responsible to the Chair of the UK Sport and Institute Board for recommending remuneration decisions in relation to the Chair of the UKSI (the Chair of UKSI would not be part of these discussions); and
- Escalate issue of pay for the UK Sport and Institute Board Chair with DCMS via the SID or Chair of the Panel (the Chair of the UKS&I Board would not be part of these discussions).

Other than specified in these terms of reference, the recruitment, remuneration, employment terms and conditions and severance of all other staff at UK Sport and UK Sports Institute are outside the scope of these terms of reference unless specifically referred to the Committee by the Board or Chief Executive Officer.

Nominations

- Regularly review the structure, size and composition of the Boards (including the skills, knowledge, experience and diversity) taking into account any requirements of the DCMS Framework Agreement, the Code of Sports Governance, UKSI Articles of Association and the Corporate Governance Code for Central Government Departments: Code of Good Practice
- Oversee succession planning for the Chair, Board, CEO, MD and other Senior Executives, ensuring there is an appropriate pipeline of talent and contingency arrangements for key leadership roles.
- Be involved as required by DCMS in identifying, nominating and approving for the Boards, candidates to fill Board vacancies as and when they arise
- Keep under review the leadership needs of the organisations, both Executive and non-executive and report to the Chairs of the Boards as appropriate
- Keep up to date and fully informed about strategic issues and other changes (such as commercial) affecting the organisations and the sector in which they operate
- Review the results of the Boards' performance evaluation processes that relate to the composition of the Boards
- Support the Chairs and the Senior Independent Board Directors as required in developing and conducting thorough induction processes for all appointed members of the Boards
- Work and liaise as necessary with other sub-committees of the Boards; and
- Support the Chair of the UK Sport and Institute Board in the appointments process of the Chair of the UKSI as well as the appointment or removal of any Directors to the Board of UKSI in line with the UKSI Articles of Association.
- Review performance objectives and outcomes for the CEO and MD and ensure remuneration decisions appropriately reflect assessed performance.

Rights

The Committee may procure specialist ad-hoc advice at the expense of either UK Sport or UKSI, subject to budgets agreed by the respective Boards

The Committee has the right to request any information or data from UK Sport or UKSI to enable it to fulfil its responsibilities.

Matters reserved to DCMS and HM Treasury

- DCMS shall determine the pay and remuneration of the Chair of the UK Sport and Institute Board
- The remuneration package of the UK Sport Chief Executive Officer is subject to DCMS approval and specific HM Treasury approval is needed where pay is above specific thresholds which may change from time to time, and are defined within HM Treasury guidance
- The levels of remuneration for Senior Executives is guided by the Public Sector Senior Pay Guidance
- Total pay negotiating remits are determined by HM Treasury and subject to the agreement of DCMS. The operation of the performance related pay scheme forms part of the annual aggregate pay budget or general pay structure approved by DCMS
- Subject to the approval of DCMS, the remuneration of Board members shall be a matter for the Chair of the Board and shall be within the rates set by HM Treasury
- Severance pay is regarded as ‘novel and contentious’ under HM Treasury Managing Public Money and are special payments which require approval of HM Treasury whether or not they fall within any delegation provided by DCMS
- Require members of staff, advisers or other individuals to attend meetings where information or advice is required to fulfil the Committee's responsibilities.
- Commission independent reviews, benchmarking exercises or assurance activity relating to remuneration, leadership succession or governance matters.
- Have unrestricted access to such records, personnel and information as it reasonably requires to discharge its duties.
- Escalate matters of concern to the Board where it considers action, intervention or additional oversight is required.

Other matters

- Senior Executives shall not be involved in any decisions as to their own remuneration.

Access

Members and attendees will have free and confidential access to the Chair of the Group Remuneration and Nominations Committee.

Reporting

The Chair of the Committee will, by exception, provide the Chair of the UK Sport and Institute Board with an update on matters discussed and any items to be highlighted for the Board’s consideration.

The Committee shall make whatever recommendations to the Boards it deems appropriate on any area within its remit where action or improvement is needed.

Review

The Committee will review these Terms of Reference and its own performance and effectiveness annually.