

## Appendix 6: Remuneration Committee Terms of Reference

### Role

1. The Remuneration Committee (the "Committee") is a committee of the Board, from which it derives its authority and to which it reports on matters related to remuneration policy.

### Membership

2. The Committee shall comprise of at least three members, two of whom must be lay persons and one of whom must be a practising barrister. There must be a lay majority. One lay person must not be a Board Member and must have knowledge of the Governance Code on Public Appointments, or similar skills and experience in recruitment to and remuneration for roles in public bodies, and this will usually be the Chair or Vice Chair of the Joint Finance Committee of the General Council of the Bar and the BSB. The Chair and one other member of the Performance and Strategic Planning Committee shall be members of the Committee, providing that one of those members is a lay member and one of those members is a practising barrister.
3. A member of the Bar Council or any of its representative committees may not be a member of the Committee.
4. A member of the Committee may not be appointed as a member of the Advisory Pool of Experts.
5. Appointments of Board Members to the Committee are made by the Board on the recommendation of the Nomination Committee and shall usually be coterminous with membership of the Board. For the member who is not also a Board Member, appointments shall be for a period of up to three years which may be extended for a further fixed period of up to three years.
6. The Chair of the Performance and Strategic Planning Committee shall be the Committee Chair. The Chair of the BSB shall not be the Committee Chair.
7. Members may nominate an alternate who is entitled to take their place at any meeting which the member is unable to attend.
8. In the absence of the Committee Chair, or where the Committee Chair has declared an interest for a specific item, the remaining members present shall elect one of themselves to chair the meeting or item.
9. All Board and Committee members must complete BSB equality and diversity training within three months of taking up an appointment with the BSB.
10. A person shall cease to be a Committee member if:
  - a. the period for which they were appointed expires (and their appointment is not renewed);
  - b. they resign their membership by notice in writing;
  - c. they were appointed as a lay person and cease to be a lay person;
  - d. they were appointed as a practising barrister and cease to be a practising barrister or become a member of the Bar Council or one of its representative committees;
  - e. they fail to attend meetings with sufficient frequency and regularity to be able to discharge their duties and the Committee or Board resolves that they should cease to be a member; or
  - f. the Board resolves that they are unfit to remain a Committee member (whether by reason of misconduct or otherwise).

## **Secretary**

11. The Head of Governance and Corporate Services, or their nominee, shall act as the secretary to the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

## **Attendees**

12. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Director General, senior management and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
13. Board Members have the right to receive papers and to attend meetings of the Committee.

## **Quorum**

14. The quorum for meetings of the Committee is three members, which may include alternates.

## **Frequency**

15. The Committee will normally meet twice a year at an appropriate time in the annual cycle and otherwise as required. A timetable of meetings and scheduled items for consideration will be agreed each year.

## **Notice of meetings**

16. Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair or any of its members.
17. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend at least four working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time. With the consent of the Committee Chair, shorter notice may be given.

## **Minutes of meetings**

18. The secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.
19. Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other Board Members and the Director General unless, exceptionally, it would be inappropriate to do so.

## **Written resolutions**

20. The Committee may pass a resolution in writing provided that the written resolution has the consent of at least two-thirds of members of the Committee who would have been eligible to vote on the matter at a meeting. Consent may be given in any written form, including electronically, for example by email. The resolution must then be ratified at the next Committee meeting and minuted as such.

## **Responsibilities**

21. Paying due regard to all relevant statutory, regulatory and best practice requirements, the Committee will carry out the following duties below for the BSB:
  - a) set parameters for and make recommendations to the Board on the remuneration and terms of engagement of:
    - i. the Director General;

- ii. any other senior staff who are members of the Senior Management Team;
  - iii. the Chair, Vice Chair and other Board Members;
  - iv. all members of any BSB committee, sub-committee, panel, or other body;
- b) advise the Board on its policies impacting on pay and benefits;
  - c) consider workforce remuneration and related policies, to support the BSB in attracting and retaining an appropriately skilled and experienced executive staff;
  - d) advise the Board on the annual salary review for the BSB, having regard to any advice on affordability;
  - e) consider appeals by the Director General and staff who report directly to the Director General against decisions relating to dismissal, disciplinary sanction, grievance, promotion or demotion. Appeals will be heard by the independent lay member of the Panel;
  - f) ensure remuneration policies and practices support strategy and promote long term sustainable success, with Senior Management Team remuneration aligned to the BSB's purpose and values, clearly linked to the successful delivery of the BSB's long term strategy and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums under appropriate specified circumstances;
  - g) consider performance reports for the Director General and members of the Senior Management Team on an annual basis to ensure that contribution to strategic delivery is in line with requirements;
  - h) when determining remuneration policy and practices, consider the UK Corporate Governance Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
  - i) in determining remuneration policy, the Committee should take into account all other factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance. The objective of such policy shall be to attract, retain and motivate people of the quality required to run the BSB successfully without paying more than is necessary;
  - j) review the ongoing appropriateness and relevance of the remuneration policy; and
  - k) approve the design of any performance related pay schemes.

### **Reporting responsibilities**

- 22. The Committee Chair shall report to the Board on its proceedings at least annually on all matters within its duties and responsibilities, but more often if required.
- 23. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

### **Other matters**

- 24. The Committee shall:
  - a) ensure the periodic evaluation of the Committee's own performance is carried out;
  - b) have access to sufficient resources in order to carry out its duties;
  - c) oversee any investigation of activities which are within its terms of reference; and
  - d) at least annually, review these terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

**Reviewed:  
23 May 2024**