

## Terms of Reference

### People & Performance Sub-Committee

**Purpose:** The Committee's responsibility is to develop a remuneration policy to attract, retain and motivate the executive management of the highest calibre who have the skills needed to achieve the EAUC's objectives year on year and which balances the interests of the stakeholders, the Association and its employees. The Committee's responsibility is to assure that the Board's composition and performance are suited to its responsibilities. It leads the process of selecting new Board members and appointing Board position holders.

**Decision Making:** The Committee has an advisory role and is to make recommendations to the Board for approval.

**Membership:** No less than four members are appointed by the Board. The Chair can invite members to the committee outside of the Board (no more than 2 at any time) as appropriate as well as inviting guests to attend all or part of any meeting as and when appropriate. Appointments to the committee are for a period of 2 years extendable for another 2-year period by agreement.

**Chaired by:** Committee member appointed by the committee excluding the Board Chair due to line management conflicts.

**Secretary:** Company Secretary who is responsible for the meeting notice, agenda and minutes.

**Meeting schedule:** twice a year and at such other times as the chairperson shall require.

**AGM:** The Committee Chairperson leads on the annual reporting of the committee's activities, attends the AGM and is prepared to respond to any relevant shareholder questions.

The duties of the People & Performance Committee are split broadly across two areas:

#### Staff

- Determine and agree with the Board the framework or broad policy for the remuneration of the company's chief executive and such other members of the executive management as it is designated to consider. The objective of such policy shall be to ensure that members of the executive management of the EAUC are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Association;
- Review the ongoing appropriateness and relevance of the remuneration policy;
- Approve the design of, and determine targets for, any performance-related pay schemes operated by the company and approve the total annual payments made under such schemes;

- Ensure that contractual terms on termination are fair to the individual(s), and the Association;
- Make recommendations to the Board concerning plans for succession for non-executive directors and in particular for the key role of chief executive;

### **Board**

- Regularly reviews the structure, size and composition (including the skills, knowledge and experience) required of the Board compared with its current position and makes recommendations to the Board with regard to any changes;
- Give full consideration to succession planning for Trustees/Directors in the course of its work, taking into account the challenges and opportunities facing the EAUC, and what skills and expertise are therefore needed on the board in the future;
- Be responsible for identifying and nominating, for the approval of the Board and later the AGM, candidates to fill Board vacancies as and when they arise;
- Prior to making an appointment, evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- Make recommendations to the Board concerning plans for succession for executives and in particular for the key role of chairman;
- Ensure the committee, once a year, reviews its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommends any changes it considers necessary to the board for approval.

### **Current Members**

**Chair:** Eunice Simmons

**Committee Members:** Jim Longhurst  
Laurence Frewin  
Louise Ellis  
Christine Calder