

# Remuneration Committee - Terms of Reference

## Purpose and objectives of the body

### Overview

- To undertake a detailed review of the performance of the Senior Partner, Managing Partner and members of the LT. Key areas of focus will include: focus on quality, upholding the Firms values, demonstrating ethical behaviour, performance of the firm and performance in relation to specific role descriptions.
- To receive profit share recommendations from the Managing Partner in relation to members of the LT
- To receive profit share recommendations from the Senior Partner in relation to the Managing Partner
- To make a profit share recommendation to PC based on the assessment of performance and input from the Managing Partner for the Senior Partner, Managing Partner and members of the LT.

## Membership

- RemCo will constitute the Senior Partner plus 4 members of PC (this may increase to 5 should there be a transition year for any one member)
- The Chair of RemCo will be a member of PC
- The Members of RemCo will be selected by PC
- The PC members of RemCo will remain members of RemCo for their term on PC
- A RemCo member can request to step down from RemCo by making a formal request to the Senior Partner. The Senior Partner will consider the basis of the request and if granted will ask the Chair to arrange for a new PC member to step in to the vacated role.
- The Chair has the ability to remove any PC member from RemCo following consultation and agreement with the remaining members of RemCo. The Chair will then arrange for a new PC member to step in to the vacated role.

### Chairing the body

- The tenure of the Chair will be for the period they serve on PC
- Should the Chair step down from PC there will be a direct handover from the outgoing Chair to the incoming Chair. The Senior Partner will assist in the handover process as required
- The Chair will have the following responsibilities:
  - Convene meetings
  - Set the agenda
  - Prepare and collate papers and ensure they are available at least a week in advance of the meetings.
  - Draft and agree with RemCo the wording of the report to be presented to PC
  - Ensure full and factual minutes are prepared, approved and stored appropriately

### Meetings

- RemCo will meet as part of the profit share review process held in July and then in a follow up meeting post profit share
- Expected meetings are as follows:

July	First RemCo meeting	Senior Partner, Managing Partner and LT performance discussion. No decision on profit share.
July	Second RemCo meeting (if required)	Senior Partner, Managing Partner and LT performance discussion. No decision on profit share.
July	Final discussion on performance of LT and SP and submission of written recommendations	<p>Meeting to be held after PC have been given access to full profit share information for the year in order to give context to deliberations</p> <p>Any queries or further info requests made at initial meeting to be cleared at this meeting.</p> <p>Managing Partner to submit written recommendation on LT members.</p> <p>Senior Partner to submit written recommendation on Managing Partner</p> <p>Appraising partners to submit written recommendation on Senior Partner.</p> <p>RemCo to prepare recommendation on profit share for Senior Partner, Managing Partner and LT.</p> <p>Prepare paper to submit to PC in advance of debate during profit share.</p>
October	SP, MP and LT Objectives meeting and Effectiveness review	<p>Review of Senior Partner, Managing Partner and members of LT objectives post profit share</p> <p>Undertake an effectiveness review of RemCo performance for the period and consider any improvements to process for the following year.</p>

- A non-routine meeting of RemCo can be called by any member, at any time
- A meeting will be quorate only when all members of RemCo are in attendance (excluding the Senior Partner when they are being discussed)
- The Managing Partner will attend the RemCo meetings by invitation to discuss the performance of members of LT and provide feedback on the Senior Partner
- RemCo will have the right to invite guests to the meetings if appropriate and with the consent of the Chair
- Should any member or RemCo believe there is a conflict of interest this must be declared at the outset of the meeting

### ***Decision making***

- RemCo will be required to submit a profit share recommendation to PC for the Senior Partner, Managing Partner and each member of LT
- This will be in a written format and will be supplemented by discussion at the PC profit share meeting
- The recommendation will set out if the individual recommendation has the full support of the RemCo members or whether RemCo was split in their decision
- Any differences of opinion within RemCo can be discussed at the PC profit share meeting

### ***Connectivity with other bodies***

- The key connectivity is to PC which will leverage the work of RemCo in forming their opinion on the profit share for the Senior Partner, Managing Partner and members of LT

### ***Assessing effectiveness of the Chair and the body***

- RemCo will undertake an effectiveness review as part of the debrief of the profit share process with PC and via a self-review
- This will be undertaken annually

### ***Schedule for reviewing Terms of Reference***

- The terms of reference will be reviewed as part of the effectiveness review on an annual basis and any proposed amendments will be agreed with PC.