
Remuneration Committee – Terms of Reference

1. Background

- 1.1 The remuneration committee (**the Committee**) was constituted as a committee of the Board of directors (**Board**) of the British Mountaineering Council (**BMC**) at a full meeting of the Board held on 25 November 2020 in accordance with the articles of association of the BMC.
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.

2. Role

- 2.1 The role of the Committee is to assist the Board to fulfil its responsibility to members to ensure that remuneration policy and practices of the BMC reward fairly and responsibly, with a clear link to organisation and individual performance, having regard to statutory and regulatory requirements.
- 2.2 Subject to paragraph 2.3, in particular, the Committee shall consider:
- (a) remuneration policies, including base pay, long and short term incentives;
 - (b) remuneration practice and its cost to the BMC;
 - (c) recruitment, service contracts and severance policies; and
 - (d) pension and superannuation arrangements and other benefits;
- 2.3 The remuneration of the chair, senior independent director and non-executive directors of the Board is determined by the BMC's articles of association. No director shall be involved in any decisions as to their own remuneration.

3. Duties and terms of reference

The Committee shall carry out the following duties for the BMC as appropriate:

3.1 Remuneration policy

The Committee shall:

- (a) determine and agree with the Board the policy for the remuneration and benefits, including pension rights and compensation payments, of:
 - (i) CEO and executive directors (**Executive Directors**); and
 - (ii) executive officers **OR** senior executives **OR** senior management (**Senior Executives**);

- (b) in determining the remuneration policy, and particularly when determining annual salary increases for Executive Directors and Senior Executives, consider:
 - (i) all relevant legal and regulatory requirements;
 - (ii) the need to promote the long-term success and financial sustainability of the BMC, and ensuring that Executive Directors and Senior Executives are rewarded in a fair and responsible manner;
 - (iii) the strategic plan of the BMC and how the remuneration policy reflects and supports the strategic plan;
 - (iv) the BMC's risk appetite and risk management strategy ensuring that the remuneration policy is aligned to the BMC's risk policies and systems and long-term strategic goals;
 - (v) market forces, remuneration trends and pay and employment conditions both within and outside the BMC;
- (c) review at least annually the on-going appropriateness and relevance of the remuneration policy and consult with significant stakeholders as appropriate;
- (d) within the terms of the agreed remuneration policy, determine the total remuneration package for each Executive Director including (to the extent applicable):
 - (i) base salary;
 - (ii) pension arrangements, including the level of contributions by the BMC; and
 - (iii) other benefits in cash or in kind;
- (e) within the terms of the agreed remuneration policy, review and approve the total remuneration package for Senior Executives based on a recommendation from the CEO (or equivalent Executive Director) including (to the extent applicable):
 - (i) base salary;
 - (ii) pension arrangements, including the level of contributions by the BMC; and
 - (iii) other benefits in cash or in kind;
- (f) exercise any discretion or judgment on remuneration issues in accordance with the remuneration policy; and
- (g) engage in appropriate discussions as necessary with key stakeholders on policy or any other aspects of remuneration.

3.2 Pensions

The Committee shall review the pension arrangements for the Executive Directors Senior Executives and in particular the pension consequences and associated costs to the BMC of basic salary increases and any other changes in pension remuneration, taking into account the general pension arrangements as outlined in the Staff Handbook.

3.3 Service contracts and severance

The Committee shall:

- (a) approve the terms of the service contracts for Executive Directors and Senior Executives and any material amendments to those contracts;
- (b) determine the policy for, and scope of termination payments, if any, for Executive Director and Senior Executive; and
- (c) ensure that contractual terms on termination, and any payments made, are in accordance with legal and regulatory requirements, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

3.4 Reporting

The Committee shall produce minutes of each meeting and report these to the Board for formal ratification of any policies and remuneration agreements.

3.5 Other matters

The Committee shall:

- (a) monitor and review the level and structure of remuneration of senior management in the context of the remuneration policy of the BMC as a whole, pay and conditions elsewhere in the BMC, and the overall cost to members;
- (b) keep abreast of external remuneration trends and market conditions;
- (c) consider such other matters as are referred to the Committee by the Board; and
- (d) work and liaise as necessary with all other Board committees.

4. Membership

4.1 The Committee shall comprise

- (a) Chair of the Board
- (b) two other members of the Board as appointed by the Board.

4.2 The Board shall appoint members of the Committee. It is recognised that the number of members may fall below three for temporary periods due to departures pending new appointments. The Board may appoint other Directors on a temporary basis to fill vacancies.

4.3 The Chair of the Board shall be a member of, but not chair, the Committee.

4.4 A person shall cease to be a member of the Committee at the end of his/her period of appointment (subject to reappointment); on ceasing to be a Director; through a resolution of the Board terminating his/her appointment, or; on written notice of resignation from the appointment to the Chair of the Committee.

4.5 The Board shall appoint the Chairperson of the Committee (**Chairperson**) from among the non-executive directors and shall determine the period for which the Chairperson will hold office. In the absence of the Chairperson and/or an appointed deputy, the remaining members present at a meeting shall elect one of their number present to chair the meeting.

5. Secretary

5.1 The Committee shall at each meeting appoint a secretary to the meeting.

5.2 The Company Secretary, or his or her nominee, may act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

5.3 The secretary or the Company Secretary will ensure the Committee receives information and papers in a timely manner to enable full and proper consideration of the issues and will maintain minutes of meetings of the Committee.

6. Attendance at meetings

6.1 The Committee shall meet at least annually and otherwise as required.

6.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the CEO, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary and with the agreement of the Chairperson. The Chairperson shall have the discretion to decide who, other than Committee members, shall attend and address Committee meetings.

6.3 No person (including directors, the Chairperson or Senior Executives) of the BMC shall participate at a meeting of the Committee (or during a relevant part) at which any part of their remuneration is being directly discussed or participate in any recommendation or decision specifically concerning their remuneration.

6.4 All or any of the members of the Committee may participate in meetings via conference call facilities. A person participating remotely shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

6.5 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7. Notice of meetings

7.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chairperson.

7.2 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, no later than five 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, but Committee papers may be forwarded at shorter notice with the approval of the Chairperson.

8. Quorum

- 8.1 The quorum necessary for the transaction of business at a Committee meeting shall be two members, present in person or by audio or video conference. If there is difficulty in achieving a quorum, independent non-executive directors, who are not members of the Committee, may be co-opted as members for individual meetings.
- 8.2 A duly convened Committee meeting 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.

9. Voting arrangements

- 9.1 Subject to paragraph 9.2, each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting whether in person or by audio or video conference.
- 9.2 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 9.3 Except where he or she has a personal interest, the Chairperson shall have a casting vote.
- 9.4 The Chairperson may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.
- 9.5 Decisions requiring to be made between meetings may be by email exchange provided a simple majority of the Committee supports the decision proposed.

10. Minutes of meetings

- 10.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 10.2 The minutes will be agreed by the Chairperson and Secretary prior to circulation to all Committee members. Once approved, minutes (either full or redacted due to confidentiality) shall be circulated to all other Board members.
- 10.3 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

11. Reporting responsibilities

The Committee shall:

- 11.1 Report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all meetings (redacted if required) shall be included in the Board papers for a subsequent Board meeting.
- 11.2 The Committee shall make recommendations to the Board in accordance with its duties and responsibilities, in relation to pay policy and remuneration agreements.
- 11.3 The Chairperson shall be prepared to report to each Board meeting and the BMC's AGM on the proceedings of the Committee.
- 11.4 The Committee shall report on its work in the annual Governance Statement presented at the BMC's AGM.
- 11.5 Make available to members these terms of reference by placing them on the BMC's website.

12. General matters

The Committee shall:

- 12.1 Have access to sufficient resources to carry out its duties, including access to the Company Secretary for assistance as required.
- 12.2 Work and liaise as necessary with all other Board committees.
- 12.3 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 12.4 The Committee is authorised by the Board to obtain, in connection with its duties, and at the Company's expense, any outside legal or professional advice it considers necessary.
- 12.5 In performing its functions, the Committee will at all times promote the objectives and best interests of the BMC.

13. Authority

The Board authorises the Committee to:

- 13.1 Carry out all duties set out in these terms of reference, to have unrestricted access to the BMC's documents and information and to obtain, at the BMC's expense, appropriate independent legal or professional advice on any matter within its terms of reference as it considers necessary.
- 13.2 Seek any information it requires from any employee of the BMC to perform its duties.
- 13.3 Secure the attendance of external advisers at its meetings if it considers this necessary, at the BMC's expense.

- 13.4 Call any employee of the BMC to be questioned at a Committee meeting as and when required and all such employees are directed to co-operate with any request made by the Committee.

Adopted at the Board meeting of the BMC on 25 November 2020.