

REMUNERATION COMMITTEE

TERMS OF REFERENCE

A. Functions

The Remuneration Committee is an advisory body with executive powers, established by the Commissioners of the National Lottery Commission. Its main functions are:

1. to discuss issues relating to Commissioners' remuneration and agree recommendations for DCMS to consider;
2. to determine the Chief Executive's remuneration;
3. to agree job descriptions and remuneration of director level posts;
4. moderate Directors' bonuses and advise accordingly;
5. to determine the annual pay award for staff;
6. to receive a report relating to the dismissal of staff;
7. to discuss significant reviews of the organisational structure.

B. Membership and Attendance

1. The Remuneration Committee will be chaired by a member of the Commission other than the Chairman, who has relevant experience and expertise. There will be two other members of the Committee one of whom will be the Chairman of the Audit Committee. Other members of the Committee will be Commission members and will be appointed at a full meeting of the Commission.
2. The Remuneration Committee will be provided with a secretariat function by the Commission Secretariat Manager who will circulate papers and minutes of meetings of the Remuneration Committee to all members of the Commission.
3. New members of the Remuneration Committee shall be provided with suitable induction training to allow them to understand the organisation and effectively contribute to the achievement of the Committee's Terms of Reference.
4. Commissioners who are not members of the Remuneration Committee shall have the right of attendance.
5. The Chief Executive and Director of Resources will normally attend meetings of the Committee.
6. Other advisers appointed by the Remuneration Committee may attend meetings, as required.
7. The Remuneration Committee may ask any other officials of the organisation to attend, to assist it with its discussions on any particular matter.
8. The Remuneration Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussions of particular matters.

9. There will be a private session to determine Chief Executive's remuneration and moderation of Director's bonus awards.

C. Frequency of Meetings

1. The Committee shall have at least one meeting each year.
2. The Chairman of the Remuneration Committee may convene additional meetings as deemed necessary.
3. The Chief Executive, Commissioners or Chairman of the Committee may ask the Remuneration Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.
4. A minimum of two members of the Remuneration Committee will be present for the meeting to be deemed quorate.

D. Reporting

1. The Chairman of the Remuneration Committee will report back orally to the Commissioners, after each meeting and in writing in July of each year.

E. Authority

1. The Remuneration Committee is an advisory body with executive powers to determine the Chief Executive's remuneration. However, it is authorised by the Commission to investigate any activity within its terms of reference, and to seek any information it requires from staff who are requested to co-operate with the Committee in the conduct of its enquiries.
2. The Remuneration Committee is authorised to obtain independent professional advice if it considers this necessary.

F. Other

1. The meetings and proceedings of the Committee are otherwise governed by the provision of Part B of the Commission's Standing Orders.

*Agreed by Commission 24 March 2005
Agreed by Remuneration Committee 12 April 2005*