

Remuneration and Nomination Committee

Terms of Reference

Responsibilities

- 1) The Board has established a Remuneration and Nomination Committee¹ to consider (and, where appropriate, to agree) such matters as may be referred to it by the Board or the Chief Executive or such other relevant matters as the Committee may determine, in accordance with these Terms of Reference².
- 2) In relation to remuneration, these matters may include, but are not limited to:
 - a) agreeing, monitoring and reviewing the terms and conditions of service (including remuneration, pensions, allowances, gratuities and compensation) of the Chief Executive and such other LSB colleagues as agreed between the Chairman of the Committee and the Chief Executive³;
 - b) monitoring and reviewing the process for determining the terms and conditions of employment (including remuneration, pensions, allowance, gratuities and compensation) of all other LSB colleagues;
 - c) monitoring and reviewing the process for determining the terms and conditions of all other appointments (including those in relation to Committee advisors⁴, the Consumer Panel⁵ and Office for Legal Complaints⁶, but excluding ordinary Board Members⁷);
 - d) agreeing, monitoring and reviewing the pension arrangements for LSB colleagues, including approving Schedules of Contributions; and
 - e) monitoring and reviewing the process for linking the performance of all LSB colleagues to reward.
- 3) In relation to nomination, these matters may include, but are not limited to:
 - a) advising the Chairman of the Board about appropriate recommendations in respect of the composition (including experience, knowledge and skills), size and structure of the Board, and the succession plan for Board Members, to the Lord Chancellor;
 - b) monitoring and reviewing the induction process for ordinary Board Members;
 - c) advising the Chairman of the Board about appropriate recommendations in respect of the appointment of Executive Board Members to the Lord

¹ Legal Services Act 2007, Schedule 1, para. 20(1).

² *Ibid.*, Schedule 1, para. 21.

³ *Ibid.*, Schedule 1, para. 15-17.

⁴ *Ibid.*, Schedule 1, para. 19.

⁵ *Ibid.*, Section 8(6).

⁶ *Ibid.*, Schedule 15, para. 10-12.

⁷ *Ibid.*, Schedule 1, para. 1(2), defines 'ordinary' Board Members.

Chancellor⁸; and

- d) monitoring and reviewing the talent management strategy and succession planning for those LSB colleagues as agreed between the Chairman of the Committee and the Chief Executive.
- 4) These matters will also include the outcomes of the Committee's periodic reviews of its own effectiveness and these terms of reference.

Authorities

- 5) The Committee is authorised by the Board:
- a) to consider any activity or topic covered by these Terms of Reference;
 - b) to demand any information it requires from LSB colleagues, all of whom are directed to co-operate with any request for such information; and
 - c) to procure at the expense of LSB external HR, legal or other independent professional advice or training, subject to budgets agreed by the Board.
- 6) The decisions of the Committee in respect of the terms and conditions of service of the Chief Executive are subject to the consent of the Board.

Membership

- 7) The Committee and its Chair will be appointed by the Board from amongst its ordinary Board Members⁹.
- 8) A majority of the Committee's Members will be lay persons¹⁰.

Meetings

- 9) The Committee will meet at least twice a year.
- 10) The quorum for a meeting of the Committee will be three Members¹¹, attending in person or, in exceptional circumstances, by telephone, video-conferencing facility or email.
- 11) The Chief Executive and the Corporate Director will attend meetings of the Committee. The Chairman of the Board and other Board Members will have a standing invitation to attend meetings of the Committee. Other LSB colleagues will attend meetings at the invitation or direction of the Committee or the Chief Executive.
- 12) The Committee will have the right to direct those attending a meeting to withdraw to facilitate the open and frank discussion of particular matters. In particular, no Board Member or LSB colleague will be present during the discussion of his or her own performance or terms and conditions of appointment, service or employment.

⁸ *Ibid.*, Schedule 1, para. 1(1)(c), provides that 'ordinary' Board Members are appointed by the Lord Chancellor.

⁹ *Ibid.*, Schedule 1, para. 20(3), restricts the membership of the Committee only to Board Members.

¹⁰ *Ibid.*, Schedule 1, para. 20(4).

¹¹ *Ibid.*, Schedule 1, para. 21(2).

- 13) A Board Member may request the Chairman of the Committee to convene an additional meeting of the Committee.
- 14) The Board Secretary will be secretary to the Committee.

Reporting

- 15) The minutes and papers of each meeting of the Committee will be circulated to the Board.
- 16) The Chairman of the Committee will present a written report about each meeting of the Committee to the next available meeting of the Board.
- 17) The Chairman of the Committee will present to the meeting of the Board that is scheduled to consider and to agree the LSB's Annual Report and Accounts for the preceding financial year a written report about the activity of the committee relevant to that financial year.

Approved by the Board on 30 November 2011