

## Finance & HR Committee – Terms of Reference

### Purpose

The purpose of the Committee is to review and make recommendations to the Board of Trustees on IChemE's financial and investment affairs, and to oversee all matters relating to the remuneration of staff, with specific responsibility for setting the remuneration policy and salaries for the Senior Management Team.

The Committee has delegated authority from the Board of Trustees in accordance with these Terms of Reference. Financial governance remains the responsibility of the Board of Trustees at all times.

### Membership

The Committee will be appointed by the Board of Trustees and will comprise:

- President
- Deputy President
- Immediate Past President
- Honorary Treasurer

The Committee will be chaired by the Honorary Treasurer, or the President in their absence.

Only the members of the Committee have the right to attend Committee meetings. However, the Chief Executive and Finance & Business Support Director shall be in attendance.

The Chief Executive and Finance & Business Support Director shall not be involved in discussions as to his/her own remuneration.

The Committee is authorised to secure external advisors who may be invited to attend for all or part of any meeting, as and when appropriate and necessary, in a non-voting capacity.

### Quorum

The quorum necessary for the transaction of business shall be three members.

### Meetings

The Committee shall normally meet at least two times a year in April and November in line with IChemE's performance review and business planning cycle. Additional meetings may take place at the request of the Committee Chair as necessary to discuss financial, investment or remuneration matters.

### Notice of meetings

Meetings of the Committee shall be called by the Finance & Business Director or Committee Chair.

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 to any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent by email to the Committee members and to other attendees, as appropriate, at the same time.

Meetings may take place by teleconference / video conference.

### Minutes of meetings

Minutes of the proceedings and decisions of meetings of the Committee shall be recorded.

The minutes shall include the names of those present and in attendance, any apologies received, any conflicts of interest declared, and the appointment or removal of any Committee members.

Any decisions by the Committee will be taken by a simple majority. If any member of the Committee substantially disagrees with the majority on any proceeding or decision, they have the right to have this recorded in the minutes.

Draft minutes of Committee meetings shall be circulated within one week of the meeting to the Committee Chair before being circulated promptly to all other members of the Committee.

The minutes shall be formally approved at the subsequent Committee meeting and a final signed copy maintained for the organisation's records.

## Duties

The Committee shall carry out the duties detailed below for the parent charity, for subsidiaries or branches, and for the group as a whole:

1. Give advice to the Board of Trustees with regard to the overall financial strategy and financial objectives of IChemE, including its subsidiary companies and branches, and to consider the financial implications of proposals for areas of major new development.
2. Review the annual budget, capital budget and cashflow forecast for approval by the Board of Trustees, having regard to the linkages between the budget planning, business plan and strategy, and periodically review performance against the budget and business plan.
3. Review IChemE's financial reserves policy at least annually, making any recommendations for change to the Board of Trustees.
4. Periodically monitor and review performance of the investment fund managers and investment portfolio, review IChemE's investment strategy and investment policy at least annually, and meet with the investment fund managers and Independent Financial Advisor on an annual basis.
5. Set the overall remuneration policy for the organisation.
6. Set and monitor the remuneration package for the Chief Executive.
7. Review and monitor the salary banding and benchmark salaries for the senior staff as recommended by the Chief Executive.
8. Approve the design of any performance related pay schemes and approve the total annual payments made under the scheme as recommended by the Chief Executive.
9. Approve the annual percentage increase (which can be zero) in benchmark salaries for all other staff as recommended by the Chief Executive.
10. When setting the remuneration policy, review and have regard to pay and employment conditions across the organisation, especially when determining annual salary increases.
11. Work and liaise as necessary with other Committees of the Board of Trustees i.e. national boards.
12. Review the on-going appropriateness and relevance of the remuneration policy.
13. Ensure that IChemE has appropriate policies in place for human resource management, staff development and recruitment, and that suitable processes for job evaluation are in use.
14. Oversee any major changes in employee benefits structures throughout the organisation.

## Reporting responsibilities

The Committee Chair shall report to the Board of Trustees after each meeting on matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the Board of Trustees it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall ensure that provisions regarding disclosure of information as set out in the Charities SORP, and any other relevant legislation, are fulfilled.

## Annual General Meeting

The Chair of the Committee should attend the Institution's Annual General Meeting to respond to questions from members on the Committee's activities.

## Other matters

The Committee shall:

- have access to sufficient resources in order for it to carry out its duties;
- be provided with appropriate training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- give due consideration to laws, regulations and any published guidelines or recommendations of the Charity Commission or other applicable rules as appropriate;
- arrange for periodic review of its own performance, and at least annually review the Committee Charter to ensure it is operating at maximum effectiveness, and recommend any changes it considers necessary to the Board of Trustees for approval.

## Autonomy

The Committee is authorised to:

- seek any information it requires from any employee or committee of the organisation in order to perform its duties;
- obtain, at the organisation's expense, independent legal, accounting or other professional advice on any matter within the remit of its Terms of Reference;
- request the attendance of any employee at a Committee meeting as and when required.

## Version Control

These Terms of Reference were approved by the Board of Trustees at their meeting on 15 June 2020.