

# Remuneration Committee - Terms of Reference

These are the terms of reference for the Ordnance Survey Limited Remuneration committee (the **committee**) which is a committee of the Ordnance Survey Limited board of directors (the **Board**).

## **1 Membership, appointment and attendance**

1.1 The committee shall comprise at least three members, all of whom shall be non-executive directors of Ordnance Survey Limited (the **Company**, or **OS**). The following OS directors shall be committee members:

- the non-executive shareholder director;
- the independent non-executive chair of the Board;

1.2 Appointments to the membership of the committee are made by the Board on the recommendation of the Nomination Committee and in consultation with the chair of the Remuneration Committee. Appointments shall be for a period of up to three years extendable by agreement of the Board. The membership of the committee and these terms of reference will be reviewed by the Board on at least an annual basis.

1.3 Only committee members have the right to attend committee meetings. Other individuals and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary. No director shall be present during or participate in the discussion or approval of his or her own remuneration package.

## **1.4 Committee Chair**

The Board shall appoint the Committee Chair. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The chair of the Board shall not be chair of the committee.

## **2 Secretary**

2.1 The Director of Human Resources or their nominee shall act as an adviser to Remuneration Committee and the Company Secretary shall act as the secretary of the committee (the **Secretary**).

## **3 Quorum**

3.1 The quorum necessary for the transaction of business shall be three, one of which must be the Committee Chair.

## **4 Frequency of meetings**

4.1 The committee shall meet at least twice a year and otherwise as required.

## **5 Notice of meetings**

5.1 Meetings of the committee shall be called by the Secretary at the request of the Committee Chair.

5.2 All relevant information, including an agenda and supporting papers, shall be sent to committee members and to any other person required to attend in good time in advance of the meeting. Relevant parts only should be sent to those invited to attend for a specific agenda item.

## 6 Minutes of meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of committee meetings shall be circulated promptly to all committee members.

## 7 Duties

**The committee should carry out the duties detailed below for The Company and any wholly owned or majority-controlled subsidiaries. The committee shall:**

- 7.1 Approve the remuneration policy ('**remuneration policy**') for all executive directors and such other senior executives as it is designated to consider ('**designated senior executives**'), including pension rights and any compensation payments. <sup>1</sup>.
- 7.2 Develop and review the remuneration policy in accordance with:
  - 7.2.1 these terms of reference, any separate document agreed with the Shareholder (pursuant to the Shareholder Framework Document) and so that remuneration levels:
    - a) are sufficient to attract and motivate high calibre individuals to drive the delivery of the activities and objectives of the Company described in the Shareholder Framework Document;
    - b) are structured to link remuneration of executive directors to performance in line with the Strategic Plan;
    - c) are aligned with the objectives set out in the Shareholder Framework Document;
    - d) deliver value for money; and
    - e) take account of Managing Public Money and take account of remuneration levels within comparable public sector institutions and are set with wider public sector pay policy in mind;
  - 7.2.2 all other factors which the committee deems necessary to take account of, including:
    - a) relevant legal and regulatory requirements;
    - b) relevant provisions and recommendations of the UK Corporate Governance Code and associated guidance; and
    - c) pay and employment conditions across the Company or OS group, especially when determining annual salary increases.
- 7.3 Approve the level and structure of remuneration for designated senior executives.
- 7.4 Review the on-going appropriateness and relevance of the remuneration policy on an annual basis.,
- 7.5 Within the terms of the agreed remuneration policy and in consultation with the CEO, as appropriate, review and approve of the total individual reward and remuneration package of each executive director and other designated senior executives.
- 7.6 Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary within the reasonable confines of a public corporation.
- 7.7 Have responsibility for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee.

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<sup>1</sup> Note that the Board itself determines the remuneration of the non-executive directors in accordance with policy and guidance on the remuneration of non-executive directors set by HM Treasury and/or the Cabinet Office, and shall constitute a sub-committee for this purpose comprising the Chair, the Shareholder Director and the Chief Executive Office, which shall consult with the Shareholder where possible. Notwithstanding the previous sentence, the remuneration of the Chair and the Shareholder Director, if any, shall be determined by the Shareholder on their respective appointments and thereafter from time to time as agreed.

- 7.8 Approve (i) the targets for any performance-related pay schemes operated by the Company and (ii) the total annual payments to be made under such schemes.
- 7.9 Approve the policy for, and scope of, pension arrangements for each executive director and other designated senior executives.
- 7.10 Approve any contractual terms on termination, and any payments made ensuring that these are fair to the individual, and the Company, consistent with Managing Public Money and other relevant guidance, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 7.11 Review and approve any major changes in employee pay and benefits structures throughout the Company or OS group.
- 7.12 Agree the policy for authorising claims for expenses from the directors.
- 7.13 Work and liaise as necessary with all other Board committees.

## **8 Reporting responsibilities**

- 8.1 The Committee Chair shall report to the Board on its proceedings on all matters within its duties and responsibilities.
- 8.2 The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.3 The committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in the **Companies (Miscellaneous Reporting) Regulations 2018** and the *Companies Act 2006*, are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to the shareholder for approval. If the committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.

## **9 Other matters**

The committee shall:

- 9.1 Have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required.
- 9.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 9.3 Give due consideration to laws, regulations, relevant provisions of the UK Corporate Governance Code and any other applicable guidelines or recommendations regarding the remuneration of directors.
- 9.4 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.

## **10 Authority**

- 10.1 The committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.