

Terms of Reference for the Remuneration Committee

1 Purpose

1.1 The purpose of the Remuneration Committee is to ensure that:

1.1.1 a transparent procedure exists for the appraisal and remuneration of the Chief Executive and the executive staff;

1.2.1 there are appropriate incentives to encourage staff performance and that rewards are made in a fair and responsible manner linked to the individual's contribution to the success of IRM and the successful performance of IRM in general.

2. Duties

2.1 The duties of the Remuneration Committee are to:

- review and recommend to the Board an appropriate remuneration policy for the Chief Executive;
- determine and recommend to the Board the terms of any special severance arrangements applying in the event of any required and/or unplanned early termination of employment of the Chief Executive having regard to relevant guidance, codes of practice and their contract of employment;
- develop a system for, and oversee the appraisal of, the Chief Executive;
- approve the annual remuneration of the Chief Executive;
- approve the overall staff remuneration policy including pension and other benefits;
- approve the design of any performance related pay or bonus scheme operated by IRM and approve the total annual payments made under such schemes;
- review the expenses policy for Board members and recommend any changes to the Board;
- approve the remuneration of the Company Secretary;
- advise the Board on the process for the appraisal of Board members and committee chairs.

3. Membership

3.1 Membership of the committee shall be as follows:

The current Chairman (who will act as Chairman)
The Immediate Past Chairman
The two current Deputy Chairmen

3.2 The Chief Executive shall attend meetings of the committee and participate fully except in those matters which relate to his/her own remuneration.

3.3 Membership of the committee shall be by right of office and shall be ratified annually by the Board.

3.4 The committee shall appoint one of its members to act as secretary to the committee.

4. Quorum

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

5. Frequency of meetings

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

6. Notice of meetings

6.1 Meetings of the committee shall be called by the secretary of the committee at the request of the committee chairman.

6.2 Unless otherwise agreed, notice of each meeting confirming 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 5 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.

7. Minutes of meetings

7.1 The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.

7.2 Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes should be circulated to all members of the Board unless it would be inappropriate to do so.

8. Delegated Authority

8.1 The Remuneration Committee is a sub-committee of the Board and shall have delegated authority to:

- approve the annual remuneration of the Chief Executive;
- approve the overall staff remuneration policy including general terms and conditions, pension and other benefits;
- approve the design of any performance related pay or bonus scheme operated by IRM and approve the total annual payments made under such schemes;
- seek independent advice on remuneration packages and the employment market at IRM's expense.

9. Reporting

9.1 The chairman of the committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

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

10. Other Matters

10.1 The committee shall arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure that it is operating effectively and recommend to the Board any changes it considers necessary.