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# People and Remuneration Committee Terms of Reference

March 2025



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UK

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beating cancer

# 1. Constitution, Purpose and Conduct

- 1.1 The People and Remuneration Committee (**Committee**) is constituted as a committee of the Council of Trustees (**Council**) of Cancer Research UK (the **Charity**). These terms of reference set out the authority and responsibilities of the Committee, as delegated to it by Council. The Committee performs its role by providing independent oversight to Council.
- 1.2 The Committee's purpose is to exercise supervisory oversight, on behalf of Council, over all aspects of the Charity's activities related to people, and related risks, and to remuneration. Day-to-day management of activities relating to people are and remain the responsibility of the Chief Executive Officer (CEO) with the Executive Board. (The Executive Board includes the CEO and Finance Director and references in these terms to the "Executive Board" shall be construed accordingly unless stated otherwise).
- 1.3 The Committee will, in exercise of its oversight, carry out its duties as set out in paragraph 9, including (but not limited to): overseeing the Charity's people plan and any associated strategies; reviewing the Charity's key policies related to people; reviewing and recommending to Council the overall policy for remuneration and pension arrangements for employees and major changes in employee benefits; and reviewing and approving the remuneration of members of the Executive Board (other than the CEO whose remuneration shall be reviewed and approved by the Nomination and Governance Committee).
- 1.4 The Committee shall have responsibility for direct oversight of management of risks that relate to those areas stated to be within its duties in these terms of reference. This recognises that the management of risks is shared between the committees of Council, in accordance with the authority delegated by Council (with risks relating to building and sustaining operations and change management overseen by the Audit and Risk Committee, risks relating to funding and managing research and innovation and influencing overseen by the Research Committee, risks relating to fundraising and income generation overseen by the Fundraising and Marketing Committee, risks relating to people by the People and Remuneration Committee and risks relating to financial management and stewardship by the Finance Committee).
- 1.5 The Committee shall in the course of its proceedings conduct itself in accordance with the Charity's Values, Code of Conduct and Code of Ethics.

# 2. Membership and Attendance

- 2.1 All Trustee members of the Committee shall be appointed by Council, on the recommendation of the Nomination and Governance Committee in consultation

with the Chair of the Committee. There should be no fewer than three members of the Committee who shall be Trustees. The Chair of the Committee shall be a Trustee and shall be appointed as Committee Chair by Council. The Chair of Council and Treasurer shall be ex officio members of the Committee. Ideally, at least one Trustee member should have a scientific, scientific research or medical background.

- 2.2 The Committee may, if it considers it necessary or desirable, co-opt Non-Trustee Committee Members with particular expertise to the Committee. Non-Trustee Committee Members shall be appointed by Council, on the recommendation of the Nomination and Governance Committee in consultation with the Chair of the Committee.
- 2.3 At least one member of the Committee should have recent and relevant people and remuneration experience and appropriate skills. The Committee shall also collectively have experience to enable the Committee to fulfil its duties.
- 2.4 As the responsibility of the Committee evolves in response to regulatory, external and economic developments, the Committee Chair will re-evaluate, at least annually, the members' competencies and the overall balance of skills on the Committee in response to emerging needs and to ensure an appropriate mix of skills including, without limitation, skills/experience in equity, diversity and inclusion.
- 2.5 Any Trustee may attend a meeting of the Committee as an observer, insofar as matters being discussed are appropriate. The Committee Secretary should be informed who shall, in turn, inform the Chair of the Committee.
- 2.6 The CEO, the Chief Operating Officer (COO), Director of HR Partnering and Operations and Director of Organisational Development and Experience shall normally attend all or part of the Committee's meetings, as appropriate. Other non-members, including Executive Directors, Directors and managers, may be invited to attend where business relevant to them is to be discussed. The Committee Chair will determine the need for closed sessions and attendance at such sessions.

### 3. Length of Service

- 3.1 Members (Trustees and Non-Trustee Committee Members) shall serve on the Committee for a maximum of 2 terms (subject to the limited exception below). In the case of Trustee members, this shall consist of a maximum initial term (of approximately three years) commensurate with their initial term as a Trustee, after which they may be reappointed by Council for a further term of three years (commensurate with their second term as a Trustee). In the case of Non-Trustee Committee Members, this shall consist of a maximum initial term of three years,

after which they may be reappointed by Council for a further term of no more than three years. If a Trustee is, by exception, reappointed for a third term as a Trustee (in accordance with the Charity's constitution), such Trustee may be appointed for a third term of no more than three years (commensurate with their third term as a Trustee), with the approval of Council. Continuance of Committee members (Trustees and Non-Trustee Committee Members) shall be reviewed, at the very least, prior to their reappointment for a further term.

- 3.2 Where possible, changes in membership should be phased to provide continuity.
- 3.3 Trustee members shall retire automatically from the Committee on ceasing to be a Trustee.

## **4. Secretariat**

- 4.1 The Company Secretary or their nominee shall act as the Committee Secretary. The Secretariat function shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

## **5. Quorum and Voting**

- 5.1 The quorum necessary for the transaction of business is two Trustee Committee members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 5.2 Each Trustee shall have one vote. No resolution shall be passed unless the majority of Trustee Committee members present and in attendance vote in favour of the resolution. In the event of an equal vote, the Committee Chair (or in their absence, the chair of the Committee meeting in question) shall have the casting vote. Non-Trustee Committee Members shall not have voting rights.

## **6. Meetings**

- 6.1 The Committee shall meet at least four times a year at appropriate times in the reporting and review cycle and at such other times as the Committee Chair shall require. Meetings of the Committee shall be called by the Committee Secretary at the request of the Committee Chair or any of the Committee's other Trustee members or at the request of the CEO or the COO.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers

shall be forwarded to each Committee member and to any other person required to attend, no later than five working days before the date of the meeting.

- 6.3 The Chair of the Committee shall chair meetings of the Committee. In the absence of the Committee Chair or their appointed deputy, the remaining Trustee members present shall elect one of themselves to chair the meeting.

## 7. Minutes of Meetings and reporting procedures

- 7.1 The Secretary or their delegate shall minute the proceedings and resolutions of all Committee meetings including the names of those present and in attendance.
- 7.2 Minutes of Committee meetings shall be reviewed by the Committee Chair and circulated promptly to all Committee members, following which they will be included on the Council agenda for information. A report of each meeting of the Committee will be circulated to the next Council meeting.
- 7.3 The Committee Chair (or their designate, where necessary or appropriate) will report to Council following each Committee meeting.

## 8. Annual General Meeting

- 8.1 The Committee Chair shall attend the Annual General Meeting of the Charity to respond to any questions on matters within the scope of the Committee's responsibilities.

## 9. Duties

The main duties of the Committee are:

- 9.1 ***People and Organisational Change***
- 9.1.1 Advising on, reviewing and approving the Charity's people plan and associated strategies (including volunteering strategy) required to deliver the Charity's strategic priorities and the HR strategy required to support this (noting that the people plan shall include all those employed by the Charity irrespective of their contractual status, and volunteers for the Charity (excluding Trustees and Non-Trustee Committee Members) but not employees of the Charity's Institutes and those funded through grants by the Charity (who shall come under Research Committee oversight)).

This shall include the Committee:

- (i) receiving regular reporting on staff surveys results and associated response plans,
  - (ii) receiving a report, at least, annually, on volunteers (including progress against the volunteering strategy), and
  - (iii) providing external insight on market conditions relevant to the people plan and associated strategies and scrutinising on behalf of Council the performance and progress of the Charity against such plan and strategies through the receipt of regular reporting from management;
- 9.1.2 Reviewing the Charity's strategy, plans and programmes in relation to equality, diversity and inclusion as it relates to our people (staff and volunteers) and progress against such strategy. This shall include receiving and reviewing reports from management (or their delegates) on progress against the strategy insofar as it relates to our people;
- 9.1.3 Ensuring appropriate scrutiny and focus on agreed Key Performance Indicators relating to our people (staff and volunteers);
- 9.1.4 Reviewing periodically organisational capability and resourcing to deliver the Charity's strategic objectives;
- 9.1.5 Reviewing and/or being consulted on (as relevant) any changes to the **Policies** set out in the Appendix;

### ***Risks relating to People***

- 9.1.6 Monitoring principal risks that relate to our people (staff and volunteers) and ensuring risks identified in the risk register relating to such area are considered as part of the annual cycle of Committee business and as and when items are discussed;
- 9.1.7 Reviewing the effectiveness of the Charity's policies and procedures relating to health, safety, welfare and safeguarding (including insofar as it relates to employees of the Charity's Institutes and those funded through grants from the Charity), including:
- (i) receiving consolidated reporting from across the Charity on these areas of risk and action taken under related policies and procedures;
  - (ii) receiving a report on overview of the key risks and control strategies, at least twice a year, on health, safety, welfare and safeguarding; and
  - (iii) ensuring that all significant health, safety and safeguarding incidents

have been properly investigated and reported to the appropriate authorities, including the Charity Commission and other relevant external authorities;

- 9.1.8 Receiving and reviewing regular reporting on people-related serious incident reports to the Charity Commission;

## **9.2 Executive Board**

- 9.2.1 Reviewing senior level succession planning, including succession planning for development of Executive Board (other than the role of the CEO, for which succession planning shall be reviewed by the Nomination and Governance Committee) and Directors Group;
- 9.2.2 Providing assurance to Council regarding material changes to the management structure, approval of which is a matter reserved to Council;

## **9.3 Remuneration – Employees**

- 9.3.1 Reviewing and recommending to Council the overall approach of the Charity with regard to the remuneration, major benefits and pension arrangements of the Charity's employees;
- 9.3.2 Reviewing and recommending to Council any proposed material changes to contractual terms and conditions of employment and benefits structure, including pensions, of the Charity's employees;
- 9.3.3 Reviewing and approving any changes to the delegation of authority approved by Council to management and staff to administer the Cancer Research UK Life Assurance Plan and the Cancer Research UK Excepted Group Life Assurance Scheme;
- 9.3.4 Reviewing annually remuneration trends across the Charity and approving the annual remuneration increase for the Charity and guidelines for its implementation;
- 9.3.5 Reviewing and approving pay gap reporting prior to publication;

## **9.4 Remuneration – Executive Board**

- 9.4.1 Reviewing and recommending to Council for approval the policy framework for determining the remuneration (including pension arrangements) of the Executive Board (with the exception of the CEO for whom the responsibility resides with the Nomination and Governance Committee);
- 9.4.2 Approving the remuneration package of the Executive Board annually (with the

exception of the CEO, for whom the responsibility resides with the Nomination and Governance Committee) and, to retain their independence, the General Counsel and Company Secretary, in each case, following recommendation from the CEO;

*No person should be involved in any decisions as to their own remuneration.*

## **9.5 Other remuneration related issues**

- 9.5.1 Giving due regard to the Charity Governance Code (for Larger Charities) in determining remuneration policy and disclosures by the Charity on remuneration, and ensuring that any requirements regarding disclosure of remuneration generally (including pensions) are met;
- 9.5.2 Approving (i) any proposed compromise agreements with members of the Executive Board (with the exception of the CEO, for whom responsibility to approve any proposed compromise agreements shall reside with the Nomination and Governance Committee) and (ii) for all other employees, any non-contractual severance payments in excess of £50,000; and
- 9.5.3 Approving the overall framework and approach for payment of fees to the independent non-executive directors of Cancer Research Technology Limited.

# **10. Delegated Authority**

The Committee is authorised by Council to:

- 10.1 Investigate any activity within its terms of reference;
- 10.2 Seek any explanatory information that it deems necessary or reasonable to discharge its responsibilities, including (notwithstanding Research Committee oversight) the right to request and review information in relation to people-related policies and people-related risks related to employees of the Charity's Institutes and those funded through grants by the Charity, unrestricted access to management, employees, contractors and volunteers of the Charity and relevant information it considers necessary to discharge its duties. The Committee will also have unrestricted access to records, data and reports and the Charity's management and staff shall cooperate with requests of the Committee; and
- 10.3 Obtain independent professional or legal advice as necessary, within reasonable financial limitations and in accordance with the Charity's expenditure policy and processes. This shall include the right to appoint an independent remuneration consultant(s), for which the Committee shall be responsible for agreeing terms of appointment and fees.

## 11. Other

- 11.1.1 The Committee shall, at least once a year, review its own performance, constitution and these terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to Council for approval. In any year when Council is conducting an external effectiveness review, the requirement for the Committee to review its own performance shall not apply.

# Appendix

## OVERSIGHT OF POLICIES AND REQUIREMENTS<sup>1</sup>

| <b>Policy/Requirement</b>              | <b>Committee Action</b> | <b>Council Approval</b> |
|--|-------------------------|-------------------------|
| Dignity at Work Policy                 | Consult                 | Yes                     |
| Equity, Diversity and Inclusion Policy | Consult                 | Yes                     |
| Safeguarding Policy                    | Consult                 | Yes                     |
| Safety, Health and Welfare Policy      | Consult                 | Yes                     |



Cancer Research UK is a registered charity England and Wales (1089464), Scotland (SC041666), the Isle of Man (1103) and Jersey (247).

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<sup>1</sup> Under the Schedule of Reserved Matters, Council delegated authority to Council Committees to approve minor amendments and to Executive Board to approve minor administrative revisions to policies/requirements otherwise reserved to it. Substantive changes remain reserved to Council for approval.