

## **Appointment of a Remuneration Committee**

IT WAS RESOLVED that, pursuant to Article 15.1(a) of the Articles of Association, a Remuneration Committee be appointed as a Committee of the Board of Governors (“the Board”) with effect from 14 December 2010. The members are listed in Part A and the terms of reference are listed in Part B. The terms of reference for the Remuneration Committee are approved by the Board from time to time.

### **Part A. Members of the Remuneration Committee**

<u>Name</u>	<u>Institution</u>	<u>Committee Role</u>	<u>Date Appointed</u>
William Castell	Chairman, Wellcome Trust	Chairman and Governor member	1 May 2006
Peter Rigby	Deputy Chairman, Wellcome Trust	Governor member	1 Oct. 2010
Rod Kent	Governor, Wellcome Trust	Governor member	14 April 2008
Eliza Manningham-Buller	Governor, Wellcome Trust	Governor member	13 April 2010
Richard Hynes	Governor, Wellcome Trust	Governor member for purposes of additional remuneration of the Chairman and the Deputy Chairman	1 Feb. 2010
Deirdre Carty	Head of Human Resources	Secretary	1 Oct. 2010

### **Part B. Terms of Reference for the Remuneration Committee**

1. Participation in the Remuneration Committee
  - a. The members of the Committee will be
    - the Chairman (who will be the chairman of the Committee)
    - the Deputy Chairman
    - two other Governors as full member of the Committee and one Governor who will attend meetings to discuss additional remuneration of the Chairman and the Deputy Chairman.
  - b. The Director of the Trust and the Chief Operating Officer will attend and participate in the meetings of the Committee, but will not be members.
  - c. The Head of Human Resources will act as Secretary but will not be a member.
  - d. No member of the Committee or person in attendance at a meeting will be present or will participate when matters relating to his or her own remuneration or terms and conditions of service are discussed.
  - e. The Chairman will not be present or participate when the matter of additional remuneration for him or her (or his or her successor) is discussed.

- f. The Deputy Chairman will not be present or participate when the matter of additional remuneration for him or her (or his or her successor) is discussed.

## 2. Responsibilities

The responsibilities of the Remuneration Committee will be, on behalf of the Board of Governors:

- a. Senior Staff (as defined in paragraph 5a)
  - i. To determine the terms of employment of Senior Staff, including, without limitation, salaries, bonuses, benefits in kind, and the duration of their contracts.
  - ii. To sub-delegate authority to the Chairman and the Director to act on behalf of the Remuneration Committee regarding any matter concerning compensation payments in the event of early termination of a contract.
  - iii. To monitor the performance of the members of the Executive Board of the Trust (excluding the Director) and such other Senior Staff as may be requested by the Director of the Trust from time to time.
  - iv. To ensure that the remuneration policies and practice applicable to Senior Staff facilitate the employment and motivation of people of the required quality.
  - v. To receive evidence on internal and external trends in remuneration and benefits, including where necessary commissioning any reports or surveys aimed at establishing the Trust's market position or exploring particular aspects of remuneration.
  - vi. To agree any changes in levels of authority delegated to this Committee for salary increases.
- b. Staff (other than Senior Staff) (as defined in paragraph 5b)
  - i. To approve the salary review policy and any major changes to the benefits policy. For the avoidance of doubt, the Committee would not normally be concerned with individual salaries or terms of employment unless they fall outside the scope of agreed policies or delegated authorities.
  - ii. To ensure that the remuneration policies and practice applicable to Staff facilitate the employment and motivation of people of the required quality.
- c. Pensions
  - i. To determine the membership of and the benefits provided by the Management Section of the Wellcome Trust Pension Plan and the Unfunded Unapproved Retirement Benefits Scheme, and to exercise any powers of the Trust in respect of those schemes.
  - ii. To exercise any powers of and to approve any decisions required by the Trust in respect of the Wellcome Trust Pension Plan and the GRL Pension Plan.

d. Chairman and Deputy Chairman

To make recommendations to the Board of Governors concerning any additional remuneration to be paid to the Chairman or the Deputy Chairman at the time of either appointment or any extension of appointment.

e. External chairs and members of Committees

To determine the level of remuneration paid to external chairs and members of the following committees of the Board of Governors and any other committees identified by the Board of Governors from time to time:

- (i) the Audit Committee
- (ii) the Investment Committee.

f. The Remuneration Committee shall undertake any other duties as directed by the Board of Governors.

3. General Principles

a. In exercising the powers set out above, the Remuneration Committee may take into account any recommendations of the Director of the Trust in relation to the remuneration and other rewards of Senior Staff (not including the Director) and the advice of outside consultants, but will be free to make its own determination based on its assessment and experience of the performance and ability of any member of the Senior Staff.

b. The Remuneration Committee shall have no power in relation to the remuneration of Governors, except for the additional remuneration for the Chairman and the Deputy Chairman described under paragraph 2d.

c. In determining remuneration policy, packages and arrangements, the Remuneration Committee shall give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code and associated guidance.

d. The Remuneration Committee will prepare an annual report of its activities for approval by the Board of Governors and, if so determined, for inclusion in the Annual Report and Financial Statements of the Trust.

e. The Board of Governors may from time to time by written resolution change the Chairman and membership of the Remuneration Committee, on the recommendation of the Nominations Committee.

f. The quorum for the proceedings of the Remuneration Committee shall consist of any two members.

g. The Remuneration Committee will meet at least once per financial year and at such other times as members of the Committee shall require.

h. A meeting of the Remuneration Committee may be held by way of a video or audio conference, telephone or similar equipment designed to allow each member to take part in the meeting (or by a combination of such media) provided that at all times the number of members participating in such a meeting is sufficient to constitute a quorum. A member shall be deemed to participate in a

meeting if he or she can hear and be heard by each other member participating in the meeting. All members so participating shall be treated as being present at the meeting for the purpose of determining whether the quorum requirements are fulfilled.

- i. A resolution in writing signed or approved by letter, facsimile transmission or electronic mail (or in such other manner as the Remuneration Committee may approve) by or on behalf of all the members entitled to vote on such resolution and to be counted in the quorum at a meeting of the Remuneration Committee for the purposes of such resolution shall be as valid and effective as if it had been passed at a meeting of the Remuneration Committee duly convened and held, provided it is approved by a sufficient number of members to constitute a quorum. Such a resolution may consist of several documents each signed or approved by or on behalf of one or more members of the Remuneration Committee.

#### 4. Performance Evaluation

The Remuneration Committee shall, at least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

#### 5. Definitions

##### a. “Senior Staff” means

- i. any member of the Executive Board of the Trust, and any other employee of the Trust occupying (in the opinion of the Remuneration Committee) a comparably senior position;
- ii. the Director of Corporate Services/Campus Director of the Wellcome Trust Sanger Institute; and
- iii. any other employee of the Trust, Hinxton Hall Limited or any of its wholly-owned subsidiaries, except Genome Research Limited, whose annual basic salary exceeds £130,000, or such other limit to be determined from time to time by the Remuneration Committee.

The Secretary will produce to the Remuneration Committee annually a list of Senior Staff.

- b. “Staff” means all employees (other than Senior Staff) of the Trust, Hinxton Hall Limited or any of its-wholly-owned subsidiaries, except Genome Research Limited.

These Terms of Reference were adopted by the Board of Governors on 14 December 2010.