



TRAFNIDIAETH CYMRU
TRANSPORT FOR WALES

People Committee

Terms of Reference

PEOPLE COMMITTEE Terms of Reference –

Adopted pursuant to a resolution of the Board of Directors dated 22 November 2018.

Note: References to “the Committee” shall mean the People Committee and references to “The Board” shall mean the full Board of Directors of Transport for Wales (“the Company”).

Duties

1. The Committee is a Committee of The Board established under the Articles of Association of the Company (“the Articles”).
2. Proceedings and meetings of the Committee will be governed by the provisions of the Articles for regulating the meetings and proceedings of The Board insofar as they are applicable and not inconsistent with these terms of reference.
3. The purpose of the Committee is to assist The Board to fulfil their overall responsibilities in relation to the People Strategy and any matters arising out of the activities of the Company and as they affect the general public (including passengers), employees and suppliers. The People Committee will function as an advisory Committee to the Board.
4. The People Committee (“PC”) is established to assist the Board in all issues relating to:

Organisation Structure and Succession Planning

The Committee will:

- review the appropriateness of the current and future organisational structure including strategies for change, transfer, integration, location and relocation;
- annually review succession planning for senior executives;
- periodically, but not less than annually, review the quality and effectiveness of members of the senior management team, based on the CEO’s assessment; and
- review and recommend development plans for emerging talent including professional apprenticeships, graduate development and early career paths

Compliance with Transport for Wales Human Resources Policies

The Committee will:

- monitor and ensure compliance with legal and regulatory requirements and Tfw policy relating to human resources, compensation and any other matters within the scope of this mandate.

Training and Development

The Committee will:

- review and recommend to the Board for approval, the executive development programs of the company; and
- review and recommend to the Board for approval for the mid to long term plans and HR policies for developing the Company’s employees.

Compensation Policy

The Committee will:

- review and recommend to the Board compensation policies that attract and retain key employees necessary to support the Company's growth and success, operationally and strategically; and
- endeavour to award full and fair compensation to each individual consistent with comparable companies, general economic conditions, individual and the Company's performance.

Executive Compensation

The Committee will:

- review and recommend to the Board, annual performance objectives and corporate goals for the CEO;
- lead the Board in evaluating the CEO's performance in light of those agreed objectives and goals, and recommend the CEO's compensation, (including base salary and incentives) based on this evaluation, for Board review and approval.
- consider matters related to executive development and succession planning, and in addition, it will also obtain input from each director and from other committees of the Board concerning the CEO's performance, including input from the Audit Committee on matters related to the Company's financial reporting. The Chair of the Board and the Chair of the People Committee will jointly review the Board's assessment of the CEO; and
- review and recommend to the Board for approval annually, the levels and terms of all levels of compensation including salary, bonus and retirement arrangement of all directors and executive officers. In the case of discussions to support the compensation of executive officers present at the meeting, such individuals will be requested to stand down during the review.

Benefit Plan Administration

The Committee will:

- ensure the appropriate design, implementation and administration of all Company-wide benefit plans;
- make recommendations to the Board regarding the amount of any bonus or any incentive payments based upon the Company's performance and attainment of goals; and
- periodically review and advise the Board (supported at the discretion of the People Committee by internal or external experts) on (a) current trends in regional and industry-wide compensation practices and (b) how the Company's compensation and benefits offering compare to those of comparable companies in the sector/industry.

General

- the People Committee will advise on other areas of Human Resources as determined by the needs of the business and the Board;
- the People Committee will make regular reports to the Board and record summaries of its recommendations to the Board in writing; and
- these Terms of Reference will be reviewed every six months in line with the TfW People Strategy.

Experts and Invited Guests

- The Committee may from time require staff, experts or other representatives to attend meetings as presenters, advisors or observers. The Chair will approve such invitations in advance.

External and Internal Links

The Board

CEO, Transport for Wales and Senior Management

External Consultants

Membership

1. The Committee shall consist of at least one independent non-executive Director, the Director of People and Organisational Development, and such other members as the non-executive Director member of the Committee shall decide.

2. The Chair of the Committee, who shall be an independent non-executive Director member, shall be proposed by the Chair of The Board and approved by the Directors.

3. The additional membership of the Committee shall initially consist of the Corporate Services Director who, as a current member of the Health, Safety and Wellbeing Committee, will also address any Health and Safety related issues arising. Other members of the People Committee will include a nominated representative of the Union, an employee representative, nominations for which will be conducted and confirmed with effect from January 2019 and a nominated representative of the Customer Services team..

4. Membership of the Committee other than the non-executive Director membership shall be at the absolute discretion of the non-executive Director member who may appoint such other members on such terms and conditions as they in their absolute discretion think fit, including but not limited to:

- duration of appointment;
- notice period for termination of appointment;
- reason(s) for termination of appointment;
- remuneration and reimbursement of reasonable expenses; and
- confidentiality

5. When meeting to review directors' remuneration, the committee shall comprise at least three members, all of whom shall be independent non-executive directors. The chairman of the board may also serve on the committee as an additional member. The Director of People and Organisational Development may be invited to attend for all or part of any meeting, as and when appropriate and necessary. The quorum necessary for the transaction of business shall be three.

Meetings

1. The Committee shall meet formally at least quarterly or more often as required. The Committee shall convene at least twice yearly as a remuneration committee. One of these meetings shall be towards the financial year-end to review the director's remuneration report.
2. A meeting of the Committee may be called by any member of the Committee.
3. Notice of each meeting confirming the date, the venue and time together with an agenda of items to be discussed together with relevant papers shall be forwarded to each member of the Committee, where practical, not fewer than five working days prior to the date of the meeting.
4. The quorum for the Committee meetings shall be three of whom at least one must be independent of the management of the Company.
5. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
6. The Chair of The Board and the Company Chief Executive shall have the right to attend and speak at meetings of The Committee; others may be called upon or shall be able to speak by prior arrangement with the Chair of the Committee.
7. The Committee or its Chair shall report to The Board following each meeting.
8. Records shall be kept of all meetings of the Committee with minutes of the proceedings and resolutions.
9. After preliminary approval by the Chair, copies of the minutes of the meetings shall be circulated to all members of the Committee and to the Chair of The Board. Any director may upon request to the Director, People and Organisation, as long as there is no conflict of interests, obtain copies of the Committee's agenda with relevant papers and minutes.
10. The Committee shall have access to professional advice from employees within the Company and, where necessary, from appropriate external advisers.

Annex A: TfW People Committee Meeting Template Agenda

- Apologies
- Previous Minutes and Matters Arising
- Board Update – Key Messages
- HR Communications
- Key Legislation Changes and Employment Policy Updates
- HR Metrics and Performance Reports
- HR Strategy
- Updates from Employee Forum/Trade Union