

Executive Reward Policy

Introduction

1. The Committee is concerned with the full spectrum of senior employment issues, including recruitment; promoting and retaining the highest quality academic and Professional Services leaders; setting performance objectives and incentives for these leaders to develop the continued success of the University and monitoring the outcomes and the way in which they are achieved; and promoting equality, diversity and inclusion in the profile of the Executive Board and its decision making.
2. The University of Exeter Remuneration Committee is responsible for reviewing and making decisions on the remuneration, benefits and conditions of employment of the University Executive Board (UEB), taking account of affordability and comparative information on the remuneration, benefits and conditions of employment in the University sector and elsewhere as appropriate, so that:
 - the University is able to recruit and retain the highest quality academic and Professional Services leaders;
 - the Committee can set performance objectives and incentives for these leaders to support the continued success of the University; and
 - the Committee can effectively monitor the outcomes and the way in which they are achieved.
3. The Committee's Executive Reward Policy has been designed to motivate our key talent to achieve the University's Strategy 2030 objectives, based on the following overarching principles which guide the decisions taken by the Committee on executive reward:
 - reward excellence and competency.
 - be transparent about the total reward package and how reward is determined.
 - apply a consistent framework to reward which recognises different staff categories.
 - support equality in our approach towards reward.
 - promote the total reward package (financial and non-financial).
 - facilitate career and reward progression.
 - focus reward on positive stewardship of the University and legacy.
 - clearly contribute to key University strategies.

Executive Reward

4. Decisions on the base salary of members of UEB are informed by market data, institutional and personal performance and affordability. The Committee's aim is to pay a competitive salary based on the market median (informed by appropriate market intelligence):
5. The Remuneration Committee will set an indicative "midpoint" for the base pay of roles on the University Executive Board at approximately 95% of the Russell Group median (or other appropriate market data where the Remuneration Committee considers that this is more relevant

for the particular role). Generally, base salaries will be in the range 85% to 115% of the appropriate market median.

6. The Remuneration Committee will review the midpoint for each role every 3 years to ensure that it is appropriately aligned to the Russell Group median (or other appropriate market data).
7. From August 2025, members of UEB will receive general increases agreed annually at national level in the Joint National Committee for Higher Education Staff.
8. Decisions on starting salaries for members of the UEB will be made in accordance with the Committee's delegation schedule, informed by appropriate market intelligence and the new appointment's experience
9. The Committee will review the base salary of members of the University Executive Board as follows:
 - (a) Members of the UEB whose starting salary is below the midpoint have a reasonable expectation that their base salary will progress to the midpoint subject to exceptional performance, to be assessed annually by the Remuneration Committee.
 - (b) Progression beyond the midpoint will be subject to exceptional contribution over a sustained period, assessed by the Remuneration Committee considering recommendations by the President and Vice-Chancellor, 3 years following the later of:
 - their progression to the midpoint; or
 - their last review after reaching the midpoint,unless the Committee agrees an earlier date for the next review.
 - (c) To take account of an increase in the market rate evidenced by the triennial review of the midpoint (as set out in paragraph 6 above).
 - (d) Where the Committee considers that it is necessary because of extenuating or exceptional circumstances to make an out of cycle adjustment to an individual's total reward.

Academic Office Holders

The following arrangements will apply to new appointments from August 2019. Separate arrangements apply to current academic office holders.

10. When a new external appointment is made as Deputy Vice-Chancellor or Pro-Vice-Chancellor, the following arrangements will apply:
 - The appointment to the role of Deputy Vice-Chancellor or Pro-Vice-Chancellor will be subject to the provisions in the University's Ordinances regarding term of office.
 - The successful candidate will also be guaranteed an open-ended appointment as Professor in the relevant Faculty at the end of their term of office.
 - The successful candidate will be appointed to the appropriate salary for the role (ie Deputy Vice-Chancellor or Pro-Vice-Chancellor), taking account of the Committee's Executive Reward Policy.
 - At the same time, the successful candidate will be advised of the salary they will receive if, when their term of office expires, they exercise the option to become a Professor in the relevant Faculty. This salary will be the appropriate Professorial Pay Band and point in the scale which takes account of their experience to date, consistent with pay decisions for other new Professor appointments. The salary will be agreed between the Provost and Director of Human Resources, taking account of the University's professorial pay policy.
 - When the term of office of the DVC/PVC expires, unless the Remuneration Committee agree

alternative arrangements, their salary will be reduced to the appropriate Band and point (including general increases) over two years as follows:

- Year one: Professor salary + 2/3 of difference
- Year two: Professor salary + 1/3 of difference
- Year three: Professor salary.

- Future pay arrangements will be in accordance with the University's professorial pay policy and decisions will be taken by the Professorial and Senior Salaries Committee, on the recommendation of the Pro-Vice-Chancellor.

11. When a current Professor at the University of Exeter is appointed as Deputy Vice-Chancellor or Pro-Vice-Chancellor, the following arrangements will apply:

- The appointment to the role of Deputy Vice-Chancellor or Pro-Vice-Chancellor will be subject to the provisions in the University's Ordinances regarding term of office.
- The successful candidate will be able to return to their substantive role as Professor in their Faculty at the end of their term of office.
- The successful candidate will be appointed to the appropriate salary for the role (ie Deputy Vice-Chancellor or Pro-Vice-Chancellor), taking account of the Committee's Executive Reward Policy.
- At the same time, the successful candidate will be advised of the salary they will receive if, when their term of office expires, they exercise the option to become a Professor in the relevant Faculty. This salary will be the appropriate Professorial Pay Band and point in the scale which takes account of their experience to date, consistent with pay decisions for other new Professor appointments. The salary will be agreed between the Provost and Director of Human Resources. This will normally be the salary they were paid prior to their promotion from Professor to Pro-Vice-Chancellor/Deputy Vice-Chancellor.
- When the term of office of the DVC/PVC expires, unless the Remuneration Committee agree alternative arrangements, their salary will be reduced to the appropriate Band and point (including general increases) over two years as follows:
 - Year one: Professor salary + 2/3 of difference
 - Year two: Professor salary + 1/3 of difference
 - Year three: Professor salary.
- Future pay arrangements will be in accordance with the University's professorial pay policy and decisions will be taken by the Professorial and Senior Salaries Committee, on the recommendation of the Pro-Vice-Chancellor.

Pension

12. Subject to the rules of the Universities Superannuation Scheme (USS), base salary will be pensionable but members of the UEB may request that part of their salary is taken as non-pensionable. They also have the opportunity to choose other options provided by USS to take account of the Annual Allowance and Lifetime Allowance.

Transitional Arrangements

13. The Remuneration Committee approved changes to the Executive Reward Policy in 2024 following a review of the reward arrangements for members of the University Executive Board. From the beginning of the 2024/25 University year, the Executive Performance Reward Scheme was withdrawn and transitional arrangements agreed for members of UEB who previously

participated in the Executive Performance Reward Scheme. Under these transitional arrangements, members of UEB will receive a non-pensionable allowance equivalent to 12% of their 2023/24 salary. This allowance will be reduced by the same amount as any increases to base salary for national (JNCHES) increases or to ensure that their salary is appropriately aligned to the appropriate market rate.

Revised and approved by Remuneration Committee, July 2024

Date of this version: 22 July 2024