

**DECISION 7/2015 OF THE GOVERNING BOARD OF
THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)**

ON

**SETTING THE HONORARIA OF THE MEMBERS OF THE GOVERNING BOARD, ITS CHAIRPERSON AND THE
MEMBERS OF THE EXECUTIVE COMMITTEE OF THE EUROPEAN INSTITUTE OF INNOVATION AND
TECHNOLOGY**

THE GOVERNING BOARD OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY,

Having regard to Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology¹ and to the Statutes annexed thereto, in particular Section 1(1), 1(3) and 2(g) thereof;

Having regard to the Decision of the Governing Board of the EIT of 17 October 2008 on setting the honorarium of the Members of the Governing Board, its Chairperson and the Members of the Executive Committee of the European Institute of Innovation and Technology²;

Having regard to the Decision of the Governing Board of the EIT of 20 February 2009 on setting detailed rules for the calculation of Honoraria of the Members of the Governing Board and of the Executive Committee of the European Institute of Innovation and Technology (EIT)³,

Having regard to the Decision of the Governing Board of the EIT of 5 June 2014 adopting the Rules of Procedures of the Governing Board and the Executive Committee⁴ and in particular Article 23 thereof;

Having regard to Commission Implementing Decision of 5.1.2015 approving the proposal of the Governing Board of the European Institute and Technology (EIT), setting the honoraria of the members of the Governing Board, its Chairperson and the members of the Executive Committee and on their extension to the representative members of the Governing Board⁵;

WHEREAS

- (1) In accordance with Section 2(g) of the Statutes annexed to Regulation (EC) No 294/2008 (the 'EIT Regulation'), the Governing Board defines, with the Commission's agreement, appropriate honoraria for the members of the Governing Board and of the Executive Committee; such honoraria shall be benchmarked against similar remuneration in the Member States;
- (2) During its first meeting of 15 September 2008, the Governing Board adopted a decision for appropriate honoraria; the rules were then further detailed by the Decision of the Governing Board of 20 February 2009;

¹ OJ L97 of 09.04.2008

² D(08R)13208

³ EIT(09) GB050601 D2380R

⁴ 01688.EIT.2014.I.GB

⁵ C(2014)9999 final

- (3) The honoraria reflect the responsibilities of the Chairperson and the members of the Governing Board and of the Executive Committee and are benchmarked against similar remuneration in the Member States as laid down in the EIT Regulation.
- (4) Since the members of the Governing Board and of the Executive Committee are not meant to work full time for the EIT, their work for the EIT should be reconciled with the requirements of their other obligations. The use of distance communication should permit full and effective participation at and between meetings.
- (5) The substantive contribution and participation of the person concerned in case of partial attendance at meetings of the Governing Board should be recognised, bearing in mind the work done outside the meetings and in particular the work carried out in preparation of those meetings.
- (6) As a result of the amendment of the EIT Regulation, the governance structure of the EIT has been streamlined. Contrary to the past, the representative members play now a vital role in supporting the strategic dialogue between the EIT and the Knowledge and Innovation Communities (KICs). They represent the KIC community as a whole and act independently from the particular interests of individual KICs. The representative members must not be part of the governance or management of a KIC and are not paid by the KICs for their participation in the meetings of the EIT Governing Board.
- (7) Taking into account this new role of the representative members of the EIT Governing Board, it is proposed to pay the same honoraria to them as to the appointed Governing Board Members.
- (8) The extension of the agreed honoraria to the EIT Governing Board representative members was approved by the Commission by its Implementing Decision of 5.1.2015.

HAS DECIDED AS FOLLOWS:

Article 1

The honoraria of the appointed and representative Governing Board members shall be:

- (a) 2,000 EUR in the case of full participation at a meeting of the Governing Board;
- (b) 1,000 EUR in the case of partial participation at a meeting of the Governing Board.

Article 2

- (1) The honoraria of Executive Committee members shall be 1,500 EUR in the case of participation at the Executive Committee meeting.
- (2) The honoraria of Executive Committee members in the case of participation at a meeting of the Governing Board shall be:
 - (a) 2,000 EUR in the case of full participation;

- (b) 1,000 EUR in the case of partial participation.

Article 3

- (1) The honoraria of the Chairperson of the Governing Board in the case of participation at a meeting of the Executive Committee shall be 2,000 EUR.
- (2) The honoraria of the Chairperson of the Governing Board in the case of participation at a meeting of the Governing Board shall be:
 - (a) 3,000 EUR in the case of full participation;
 - (b) 1,500 EUR in the case of partial participation.

Article 4

- (1) The honoraria of the Vice-Chairperson of the Governing Board shall be the same as for the members of the Governing Board and of the Executive Committee, as laid down in Articles 1 and 2.
- (2) By way of derogation from paragraph (1), the Vice-Chairperson of the Governing Board is entitled to the honoraria of the Chairperson when the Chairperson is absent during the whole meeting and the Vice-Chairperson replaces the Chairperson during the whole meeting.

Article 5

In the case of participation at any of these meetings through the use of distance communication, the duration of the communication link shall count as a physical presence at the meeting for the purposes of ascertaining of the appropriate right to honoraria.

Article 6

Proof of participation of a member shall be provided by the list of attendance, as approved by the Chairperson of the Governing Board.

Article 7

- (1) The maximum number of paid meetings shall not exceed twelve Governing Board and Executive Committee meetings in total per year.
- (2) The honoraria are due and shall be paid solely for the Governing Board meetings (i.e. the ordinary and extra-ordinary Governing Board meetings) and for the Executive Committee meetings (i.e. the ordinary and extraordinary meetings). It shall be paid irrespective of the length (i.e. number of days) of the meeting.

Article 8

This decision repeals and replaces:

(1) the Decision of the Governing Board of the EIT of 18 October 2008 on setting the honorarium of the Members of the Governing Board, its Chairperson and the Members of the Executive Committee of the European Institute of Innovation and Technology and

(2) the Decision of the Governing Board of the EIT of 20 February 2009 on setting detailed rules for the calculation of Honoraria of the Members of the Governing Board and of the Executive Committee of the European Institute of Innovation and Technology (EIT).

Article 9

This decision shall enter into force on the date of its signature.

Done in Budapest on 05 March 2015

For the EIT

[Signed]

Peter Olesen

Chairman of the EIT Governing Board

Annex: Note to the Members of the Governing Board of the European Institute of Innovation and Technology (EIT) concerning the definition of the appropriate honoraria for the members of the Governing Board and the Executive Committee

NOTE

TO THE MEMBERS OF THE GOVERNING BOARD OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)

CONCERNING THE DEFINITION OF THE APPROPRIATE HONORARIA FOR THE MEMBERS OF THE GOVERNING BOARD AND OF THE EXECUTIVE COMMITTEE

According to Section 2(g) of the Statutes of the European Institute of Innovation and Technology (EIT) annexed to the Regulation (EU) No 1292/2013 of the European Parliament and of the Council of 11 December 2013 amending Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology (hereinafter referred to as the "Statutes"), the Governing Board defines the appropriate honoraria for members of the Governing Board and of the Executive Committee, benchmarked against similar remuneration in the Member States. According to the same Article, this definition requires the Commission's agreement.

Therefore, the text of the draft Governing Board decision shall be submitted to the Commission for its agreement. As soon as this agreement is given, it shall be submitted to the Governing Board for final adoption.

HONORARIA DEFINITION OF THE MEMBERS OF THE EIT GOVERNING BOARD AND THE EXECUTIVE COMMITTEE

1. Rationale and legal basis

Section 2(g) of the Statutes of the Regulation establishing the European Institute of Innovation and Technology (EIT) states:

"The Governing Board shall, in particular: (g) define, with the Commission's agreement, appropriate fees for members of the Governing Board and of the Executive Committee; such fees shall be benchmarked against similar remuneration in the Member States."

This rule is repeated in Article 22 of the Rules of Procedure of the Governing Board.

A honorarium is an *ex gratia* payment made to a person for their services in a volunteer capacity or for services for which fees are not traditionally required. It is customary in top class higher education and research organisations, as well as in business, to give an appropriate remuneration to Board members for the services rendered.

The EIT Governing Board has an unprecedented level of autonomy – and responsibility – in comparison to other Union bodies. The EIT Board members take strategic decisions that fully commit the institution, including financially. An appropriate level of honoraria should be set to remunerate the Governing Board and the Executive

Committee members for the time they devote to the EIT and ensure that they feel no lack of incentive to participate actively.

The EIT Governing Board is composed of two types of members:

- (a) appointed members, and
- (b) and representative members

18 appointed members were officially appointed by the Commission on 30th July 2008. Then, four representative members were elected in 2010 to serve as members of the EIT Board, hence increasing to 22 the total number of members of the EIT Governing Board.

Further to the amendment of the EIT Regulation in December 2013, the number of Board members was reduced from 22 to 15: from September 2014 there shall be 12 appointed members and 3 representative members elected by the KICs from among their partner organisations. In accordance with the new legal framework, the appointed members are appointed by the Commission and shall provide a balance between those with experience in business, higher education and research. The representative members represent the KIC community.

2. Honoraria benchmarking

Three main types of membership can be found in Governing/Supervisory Boards in the fields of research and higher education:

- a) Representative Board members in higher education institutions

Traditionally, these members are already employed or in other way involved in the works of the institution, for instance as representatives of the employees or the students in the universities. No honoraria are usually paid to members of such Boards as they already receive remuneration from their institution. The examples for this are the Boards of the higher education institutions⁶.

In the past, the first four EIT Governing Board representative members, appointed in 2010, had a similar role to this, representing their own KIC at the Governing Board meetings.

⁶ *The General Board of the University of Cambridge consists of:*

- *the Vice-Chancellor (as Chairman);*
- *eight members of the Regent House appointed by the Councils of the Schools;*
- *four members of the Regent House appointed by the Council (subject to certain procedural qualifications to ensure sufficient overlap between membership of the Board and that of the Council).*
- *two student members, one of whom must be a graduate student, elected by current students in the University.*

b) Advisory Board members

Members are asked to deliver their advice and expertise during the Board meetings, without any real decision-making capacity. No additional outputs and work engagement are expected beyond the one-day Board meetings. This type of membership is for instance applied by the Commission when inviting experts to special advisory groups or Committees.

Traditionally, the honoraria awarded to these types of members run from EUR 100 to 500 per day.

c) Strategic Board members

The Board members are expected to take strategic decisions and steer the work of the organisation. Their work goes beyond participation in the Board meetings per se and involves also some representational functions.

Honoraria are paid to Board members for the time they devote to steering the work of the organisation. The amount of the compensation depends on a variety of factors, including the organisation, size, maturity, and sector. The value of these honoraria amounts on average to EUR 8,000 per year. The average number of meeting per year varies from four to eight maximum.

Special provisions are usually previewed for the Chairperson and the members of specific dedicated committees. The remuneration is usually doubled or tripled for the Chairperson and an extra fee (*between 30 to 70 percent*) is paid for participation and chairing of the established committees (c.f. Table 1 and the footnotes).

3. EIT Governing Board members

Taking into consideration the mission of the EIT and its Governing Board as stipulated in the EIT Regulation, the **third type of membership (the so-called strategic Board members) largely reflects the tasks of the appointed members of the EIT Governing Board.**

The same applies for the **representative members of the EIT Governing Board following the amendment of the EIT Regulation**, as a result of which the governance structure of the EIT has been strongly streamlined.

Under the new legal framework, the three representative members shall play a vital role in supporting the strategic dialogue between the EIT and the KICs and in providing an overarching view on areas where all the KICs work e.g. by providing insights for the preparation of the Triennial Work Programme and other strategic documents, such as the next Strategic Innovation Agenda.

The representative members of the EIT Governing Board shall represent the EIT in an independent capacity: they act in the best interests of the EIT and its mission, independently from any academic, institution, industrial, political or other specific interests they might have, and be responsible in particular for:

- a) Strengthening the strategic relations between the EIT and the KICs in the context of the Spring Review
- b) Contributing to the foresighting of the EIT/KICs by capitalizing on their expertise and knowledge of the KIC model

- c) Offering views in how the EIT mission, the KIC strategies and present and future EU global challenges interact and how the KIC model can offer increased added value in the future.
- d) Providing insights for the preparation of the Triennial Work Programme and other strategic documents such as the Strategic Innovation Agenda
- e) Acting as the link between the EIT GB strategic steering of the EIT and the strategic direction of the KICs.
- f) Supporting the EIT by enabling a better informed and future-looking priority setting process.

Before the amendment of the EIT Regulation, the representative members represented a particular KIC. This will not anymore be possible as the number of KICs (five by the end of 2014) will be higher than the number of representative members (three). Therefore, the new EIT rules for the election of the representative members underline that the representative members must act independently from the particular interest of an individual KIC and represent the position and experience of the "community of all the KICs".

Moreover, to avoid conflicts of interest, the rules do not allow representative members to be part of the governance or management of a KIC. Subsequently, as they will not be paid by a particular KIC for the participation in the meetings of the EIT Governing Board, their effort should be remunerated by the EIT.

Taking into account the above new role of the representative members of the EIT Governing Board, it is proposed to pay the same honoraria to them as to the appointed Governing Board Members.

4. Principles for defining the honoraria of the EIT Board members

The proposed honoraria of the EIT Governing Board members have been calculated on the basis of the following principles:

Attractiveness: The honoraria should provide a stimulus to ensure a full involvement of the Governing Board members in EIT activities and development, not only through participation in meetings but throughout the year.

Appropriateness: The honoraria have been defined taking into account existing practises and benchmarks in top class higher education and research institutions as well as in private companies (cf. see point 2 above).

Independence: Both the appointed and the representative members shall act independently of any interest and shall not be paid by any other external source for their participation at the EIT Governing Board meetings. The honoraria should remain within the thresholds clearly defined in the decision of the Governing Board.

Transparency: The precise honoraria received by each of the Board members are disclosed in detail in the preceding EIT annual activity report and can be appreciated in the light of the role and tasks of the EIT.

Accountability: In order to increase accountability, the EIT Board's remuneration policy is adopted by the Board members and thereafter approved formally by the Commission, through a Commission decision. The honoraria are part of the EIT budget. This ensures the accountability of the Board members in front of the EU institutions.

Simplicity: Notwithstanding that the dedication of Board members goes beyond their participation in the Board meetings, the honoraria have been calculated on the basis of fixed attendance fees.

Conditionality: Board Members get a differentiated remuneration for full and partial participation in the meetings.

5. Basis for the calculation of honoraria of the EIT Governing Board members

The honoraria have been defined on the following basis:

- a) The analysis and benchmarking of the honoraria paid to members of the so-called strategic Board across the Union (cf. point 2 and Table 1 in Annex)
- b) The estimated number of working days devoted to EIT activities for a Board member, a member of the Executive Committee and the Chairperson.

In the launch phase of the EIT, the work of the members of the EIT Governing Board was rather demanding and involved five meetings in the first operation year (i.e. approximately one meeting every two months). Since the first KICs had been designated in 2009, usually four Governing Board meetings are held per year.

Each Governing Board meeting is usually preceded by an Executive Committee meeting. The role of the Executive Committee is to assist the Governing Board and it is responsible for the following main tasks:

- preparation of the meetings of the Governing Board;
- strategically overseeing the implementation of the Strategic Innovation Agenda and Triennial Work Programme of the EIT;
- strategically overseeing the selection procedure for KICs.

In the launch phase, in addition to the Governing Board meetings mentioned above, the members of the Executive Committee met five times to ensure the establishment and functioning of this new institution. Since the first KICs had been designated in 2009, usually four Executive Committee meetings were held per year.

The number of the Governing Board and Executive Committee meetings is foreseen to slightly rise in the future in view of the increasing role of the EIT and the growing number of KICs, nevertheless, the maximum number of paid meetings shall not exceed twelve meetings per year (five Governing Board meetings and seven Executive Committee meetings).

- a) It should also be noted that the Chairperson, and to a lesser extent, the members of the Executive Committee have many ceremonial and representation duties, beyond participation in Governing Board meetings.
- b) The honoraria of the Vice-Chairperson of the Governing Board shall be the same as for the members of the Governing Board and of the Executive Committee. As an exception, the Vice-Chairperson of the Governing Board shall be entitled to the honoraria of the Chairperson in case the Chairperson is absent at the whole meeting and the Vice-Chairperson replaces the Chairperson during the whole meeting.
- c) The honoraria are due and shall be paid solely in case of the Governing Board meetings (i.e. the ordinary and extra-ordinary Governing Board meetings) and the Executive Committee meetings



(i.e. the ordinary and extraordinary meetings). It shall be paid irrespective of the length (i.e. number of days) of the meeting.

d) On this basis, **an amount of**

- EUR 2,000 per meeting for those Governing Board members which are not members of the Executive Committee,
- EUR 3,500 per meeting for the Governing Board members which are also participating in the Executive Committee meetings, and
- EUR 5,000 for the Chairperson for participating in the Executive Committee and the Governing Board meeting

shall be paid.

e) Consequently, **the average annual honoraria for the period of 2008-2018 is shown in the following table:**

Honoraria for the period of 2008-2018

Year	GOVERNING BOARD MEETINGS											EXECUTIVE COMMITTEE MEETINGS						GRAND TOTAL yearly honoraria	
	Number of Meetings	Appointed Governing Board Members				Representative Governing Board Members				Chairman		Number of Meetings ¹	Executive Committee Members (only appointed GB Members)				Chairman		
		Honoraria	Number of Members	Yearly Honoraria (per Member)	Yearly Honoraria TOTAL	Honoraria	Number of Members	Yearly Honoraria (per Member)	Yearly Honoraria TOTAL	Honoraria	Yearly Honoraria TOTAL		Honoraria	Number of Members	Yearly honoraria (per Member)	Yearly honoraria TOTAL	Honoraria		Yearly Honoraria TOTAL
2008	3	2 000 €	17	6 000 €	102 000 €	0 €	4	0 €	0 €	3 000 €	9 000 €	3	1 500 €	4	4 500 €	18 000 €	2 000 €	6 000 €	135 000 €
2009	5	2 000 €	17	10 000 €	170 000 €	0 €	4	0 €	0 €	3 000 €	15 000 €	5	1 500 €	4	7 500 €	30 000 €	2 000 €	10 000 €	225 000 €
2010	4	2 000 €	17	8 000 €	136 000 €	0 €	4	0 €	0 €	3 000 €	12 000 €	4	1 500 €	4	6 000 €	24 000 €	2 000 €	8 000 €	180 000 €
2011	4	2 000 €	17	8 000 €	136 000 €	0 €	4	0 €	0 €	3 000 €	12 000 €	4	1 500 €	4	6 000 €	24 000 €	2 000 €	8 000 €	180 000 €
2012	4	2 000 €	17	8 000 €	136 000 €	0 €	4	0 €	0 €	3 000 €	12 000 €	4	1 500 €	4	6 000 €	24 000 €	2 000 €	8 000 €	180 000 €
2013	4	2 000 €	17	8 000 €	136 000 €	0 €	4	0 €	0 €	3 000 €	12 000 €	4	1 500 €	4	6 000 €	24 000 €	2 000 €	8 000 €	180 000 €
2014 Jan - July	2	2 000 €	17	4 000 €	68 000 €	0 €	4	0 €	0 €	3 000 €	6 000 €	7	1 500 €	4	10 500 €	42 000 €	2 000 €	14 000 €	130 000 €
2014 September	1	2 000 €	11	2 000 €	22 000 €	0 €	0	0 €	0 €	3 000 €	3 000 €	1	1 500 €	3	1 500 €	4 500 €	2 000 €	2 000 €	31 500 €
2014 December	2	2 000 €	11	4 000 €	44 000 €	0 €	3	0 €	0 €	3 000 €	6 000 €	1	1 500 €	3	1 500 €	4 500 €	2 000 €	2 000 €	56 500 €
2015	5	2 000 €	11	10 000 €	110 000 €	2 000 €	3	10 000 €	30 000 €	3 000 €	15 000 €	7	1 500 €	3	10 500 €	31 500 €	2 000 €	14 000 €	200 500 €
2016	5	2 000 €	11	10 000 €	110 000 €	2 000 €	3	10 000 €	30 000 €	3 000 €	15 000 €	7	1 500 €	3	10 500 €	31 500 €	2 000 €	14 000 €	200 500 €
2017	5	2 000 €	11	10 000 €	110 000 €	2 000 €	3	10 000 €	30 000 €	3 000 €	15 000 €	7	1 500 €	3	10 500 €	31 500 €	2 000 €	14 000 €	200 500 €
2018	5	2 000 €	11	10 000 €	110 000 €	2 000 €	3	10 000 €	30 000 €	3 000 €	15 000 €	7	1 500 €	3	10 500 €	31 500 €	2 000 €	14 000 €	200 500 €

¹ As of 2015 Forecast if based on 4 regular ExCo Meeting and 3 Extraordinary

Table 1: RESEARCH and EDUCATION INSTITUTIONS

	Name	Amounts in EUR ⁷
1	The Engineering and Physical Sciences Research Council ⁸	EUR 7800 per year
2	The BIOTECHNOLOGY AND BIOLOGICAL SCIENCES RESEARCH COUNCIL ⁹	Member – EUR 8600 per year Committee Chairperson – EUR 11.200 per year
3	The Council for the Central Laboratory of the Research Councils (CCLRC) ¹⁰	Chairperson: EUR 18.800 per year
4	The Economic and Social Research Council ¹¹	Member – EUR 8600 per year Chairperson – EUR 11.200 euro per year
5	The Natural Environment Research Council ¹²	Member – EUR 7800 per year Chairperson – EUR 10.400 per year
6	The Science and Technology Facilities Council ¹³	Member – EUR 8200 per year Chairperson – EUR 19.700 per year Representative member – no payment
7	KTH Royal Institute of Technology ¹⁴ , Sweden	EUR 2960 per member, EUR 6977 – chairperson

⁷ Rate GBP/EUR = 0.78

⁸ A honorarium of £6,120 per year is currently paid to all members. http://www.epsrc.ac.uk/Basic_PrinterFriendly?postingGUID=%7B6DCF9097-2DE3-461F-B1A3-5D38C6BCEA67%7D&titlePH=phdefTitle&mainPH=phdefMain

⁹ Members of BBSRC Council (with the exception of those listed under paragraph 11.7) receive a honorarium of £6,570 per year. Council members who also chair committees receive a higher honorarium of £8,750 per year. , http://www.bbsrc.ac.uk/organisation/structures/bbsrc_handbook.pdf

¹⁰ Mr Peter Warr as Chair of the Particle Physics and Astronomy Research Council (PPARC). Both these Research Council Chair posts receive a honorarium of £14,700 per year. <http://www.egovmonitor.com/node/946>

¹¹ A honorarium of £6,410 per year is currently paid to all members and a higher rate of £8,540 is paid to members who chair Boards. From 1 October, the annual honoraria will rise to £6,570 for Council Members and £8,750 for members who chair boards. Professor Judith Rees is chair of the ESRC's Training and Development Board.

<http://www.publictechnology.net/modules.php?op=modload&name=News&file=article&sid=11526>

¹² A honorarium of £6,120 per year is currently paid to all members of NERC's Council. (£8,160 per annum for those members who chair NERC Boards).

<http://www.nerc.ac.uk/press/releases/2005/reappointments.asp>

¹³ A honorarium of £15,410 pa as Chair of STFC. Members hold the following other ministerial appointments: Keith Burnett, Marshall Davies and Philip Greenish are members of the Council for the Central Laboratory of the Research Councils (CCLRC); Michael Edmunds, Philip Kaziewicz and Anneila Sargent are PPARC members, for which they each receive a honorarium of £6,410 pa. All STFC members will receive a honorarium of £6,410 pa, except Richard Wade and Colin Whitehouse who as STFC employees receive no additional payment as Council members., <http://www.publictechnology.net/print.php?sid=8335>

¹⁴ http://www.kth.se/dokument/om/redovisningar_rapporter/ar07.pdf