

## REMUNERATION & NOMINATION COMMITTEE

### TERMS OF REFERENCE

<b>Purpose</b>	<p>The Remuneration &amp; Nomination Committee (RemNom) serves two key purposes in relation to remuneration and nomination:</p> <p><b>Remuneration</b></p> <ul style="list-style-type: none"> <li>• Determine the remuneration and terms of service of the Chief Executive, Executive Directors, the Trust’s Managing Director and Site Directors ;</li> <li>• Consider the payment conditions of any termination arrangements.</li> </ul> <p><b>Nomination</b> - to support the Chairman in ensuring that the Trust is led by an effective Board of Directors by:</p> <ul style="list-style-type: none"> <li>• Making appointments of Executive Directors (including the Chief Executive), the Trust’s Managing Director, the Trust’s Site Directors following formal, rigorous and transparent processes;</li> <li>• Advising the Council of Governors on the skills and experience required for Non-Executive Director appointments.</li> </ul>
<b>Duties</b>	<p>The following comprise the RemNom’s main duties as delegated by the Board of Directors:</p> <p><b>Remuneration</b></p> <ol style="list-style-type: none"> <li>1. Establish and keep under review a remuneration policy in respect of executive board directors, the Managing Director and the Site Director.</li> <li>2. Consult the Chief Executive about proposals relating to the remuneration of the executive directors, the managing director and the site directors. No directors shall be involved in any decisions relating to the setting of their own remuneration.</li> <li>3. In accordance with all relevant laws, regulations and Trust policies, decide and keep under review the terms and conditions of the executive directors and managing director, including: <ul style="list-style-type: none"> <li>• Salary, including any performance related pay;</li> <li>• Provision for other benefits include pensions and cars;</li> <li>• Allowances;</li> <li>• Payable expenses; and compensation payments.</li> </ul> </li> </ol> <p>In adhering to all relevant laws, regulations and Trust policies:</p> <ol style="list-style-type: none"> <li>4. Establish levels of remuneration which are sufficient to attract, retain and motivate executive directors, the managing director and site directors of the quality and with the skills and experience required to lead the Trust successfully, without paying more than is necessary for this purpose, and at a level which is affordable for the Trust;</li> </ol>

5. Use national guidance and market benchmarking analysis in the annual determination of remuneration of executive directors, the managing director and site directors ensuring that increases are not made where Trust or individual performance do not justify them;
6. Be sensitive to pay and employment conditions elsewhere in the Trust.
7. Monitor and assess the output of the evaluation of the performance of individual directors and consider this output when reviewing changes to remuneration levels;
8. Advise upon and oversee contractual arrangements for executive directors, the managing director and site directors, including but not limited to, termination payments to avoid rewarding poor performance.
9. Determine the terms of any severance agreement (including any payment) in the event of the early contract termination of the Chief Executive, or an Executive Director or Managing Director or Site Directors. The Committee shall ensure that these arrangements are affordable and in line with HM Treasury's guidance on special severance payments.

#### **Nomination**

1. Regularly review the structure, size and composition (including skills, knowledge and experience) currently on the Board and also required of the Board and make recommendations to the:
  - Board on any changes required;
  - Council of Governors on the skills, knowledge and experience required for Non-Executive Director appointment(s).
2. Give full consideration to and make plans for succession planning for the Chief Executive, the Executive Directors and Managing Director taking into account the challenges and opportunities faced by the Trust and the skills and expertise needed by the Board in the immediate and medium term.
3. When a vacancy arises, evaluate the requirements of the role and the balance of skills, knowledge and experience on the Board. In light of this evaluation, prepare a job description and person specification. In the event of the vacancy being for a Non-Executive or Chairman, recommend the job description and person specification to the Search and appointments Committee for Non-Executives & Chairman.
4. In line with Trust policies and procedures, be responsible for identifying and nominating:
  - appropriate candidates to fill posts within the remit of the Committee as and when they arise.
  - a candidate for approval by the Council of Governors to fill the position of Chief Executive.
5. Consider any matter relating to the continuation in office of the Chief Executive or Executive Director or the Trust's Managing Director,

	including the suspension or termination of service of an individual as an employee of the Trust.
<b>Accountable to</b>	Trust Board.
<b>Reporting arrangements</b>	<p>The RemNom shall report to the Board after each meeting (in private if required); if the matters discussed pertain to Executive Directors or the Managing Director, these may be covered in the Chief Executive's report to the Board.</p> <p>The Committee will ensure that emoluments for the Board of Directors are accurately reported in the required format in the Trust's Annual Report and Accounts.</p>
<b>Membership</b>	<p>Members of the Committee shall be appointed by the Board.</p> <p>The Committee shall be made up of six independent non-executive directors.</p> <p>Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Director of Human Resources, the Chief Human Resource Director and external advisers may be invited to attend for all or part of any meeting as and when appropriate.</p> <p>Appointments to the Committee shall be for a period of up to three years, which may be extended, provided the director remains independent and subject to the overall length of appointment as a non-executive director.</p> <p>The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.</p> <p>Meetings are not open to the public.</p>
<b>Attendance</b>	Members will be required to attend as a minimum, two-thirds of the meetings held per calendar year.
<b>Quorum</b>	<p>The quorum for any meeting of the RemNom shall be four Non-Executive Directors.</p> <p>All members will have one vote. In the event of votes being equal, the Meeting Chairman will have the casting vote.</p>
<b>Declaration of interests</b>	All members, ex-officio members and those in attendance must declare any actual or potential conflicts of interest; these shall be recorded. Anyone with a relevant or material interest in a matter under consideration must be excluded from the discussion.
<b>Meeting frequency</b>	Meetings of the RemNom shall be held as deemed necessary but not less than twice a year.
<b>Meeting Administration</b>	The Company Secretary, or nominee, shall attend the meetings and act as secretary of the Committee.

	<p>Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members.</p> <p>Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than 5 working days before the date of the meeting.</p> <p>Meetings may be held by email or telephone conference, or by other telecommunication methods.</p> <p>The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of members present and others in attendance.</p> <p>Minutes of Committee meetings shall be circulated promptly to all members of the Committee.</p>
<p><b>Monitoring and Review</b></p>	<p>The Committee's terms of reference will be subject to annual review by the Board.</p> <p>The Committee will undertake an annual review of its performance, via self-assessment by its members and this will be reported, together with any agreed actions, to the Board of Directors.</p> <p>At the end of each meeting, the Committee will carry out a review of the meeting's effectiveness, using a standard template.</p>