

<b>Terms of reference</b>
<b>Name of governance body</b>
Nomination and Remuneration Committee
<b>Constitution</b>
The Nomination and remuneration committee (the Committee) is constituted as a statutory non-executive committee of the Trust's Board of Directors.
<b>Accountability</b>
The Committee is accountable to the Board of Directors for its performance and effectiveness in accordance with these terms of reference.
<b>Authority</b>
<p>The Committee is authorised by the Board of Directors to:</p> <ul style="list-style-type: none"> <li>• Appoint or remove the chief executive, and set the remuneration and allowances and other terms and conditions of office of the chief executive.</li> <li>• Appoint or remove the other executive directors and set the remuneration and allowances and other terms and conditions of office of the executive directors, in collaboration with the chief executive.</li> <li>• Consider any activity within its terms of reference.</li> <li>• Seek relevant information from within the Trust. (All departments and employees are required to co-operate with any request made by the committee).</li> <li>• Instruct independent consultants in respect of executive director remuneration.</li> <li>• Request the services and attendance of any other individuals and authorities with relevant experience and expertise if it considers this necessary to exercise its functions.</li> </ul>
<b>Purpose</b>
<p>The purpose of the Committee is to:</p> <ul style="list-style-type: none"> <li>• Determine the structure, size and composition (including the skills, knowledge, experience, diversity and development) of the Board of Directors, making use of the output of the board evaluation process as appropriate, and to make recommendations to the Board, as applicable, with regard to any changes.</li> <li>• Work with the chief executive to identify and appoint candidates to fill all executive director and other positions that report to the chief executive.</li> <li>• Work with the chief executive to decide and keep under review the terms and conditions of office of executive directors and other positions that report to the chief executive, including: <ul style="list-style-type: none"> <li>• Salary, including any performance-related pay or bonus;</li> <li>• Provisions for other benefits, including pensions and cars;</li> <li>• Allowances;</li> <li>• Payable expenses;</li> <li>• Compensation payments.</li> </ul> </li> </ul>

- Determine remuneration packages and contractual terms of the executive management team in line with benchmarking and national guidance.

### Duties and responsibilities

#### **Duties (nominations)**

- When a vacancy is identified, evaluate the balance of skills, knowledge and experience on the Board, and its diversity, including diversity of skills, experience and knowledge and in the light of this evaluation, prepare a description of the role and capabilities required for the particular appointment.
- Use open advertising or the services of external advisers to facilitate candidate searches.
- Give full consideration to succession planning, taking into account the future challenges, risks and opportunities facing the Trust and the skills and expertise required to meet them.
- Ensure that appointments and succession plans are based on merit and objective criteria and, within this context, promote diversity of gender, social and ethnic backgrounds, disability and personal strengths.
- Ensure that proposed appointees disclose any business interests that may result in a conflict of interest prior to appointment and that any future business interests that could result in a conflict of interest are reported.
- Ensure that proposed appointees meet the “fit and proper person test”, and confirm their awareness of the circumstances which would prevent them from holding office.
- Consider any matter relating to the continuation in office of any executive director including the suspension or termination of service of an individual as an employee of the Trust, subject to the provisions of the law and their service contract.

#### **Duties (remuneration)**

- Establish levels of remuneration which are sufficient to attract, retain and motivate executive directors of the quality and with the skills and experience required to lead the Trust successfully and collaborate effectively with system partners, without paying more than is necessary for this purpose, and at a level which is affordable for the Trust. To do this, the committee will:
  - Follow the national NHSE VSM (very senior manager) pay strategy and associated QVH VSM pay principles in respect of executive board directors and other positions that report to the chief executive.
  - Use market benchmarking analysis in the annual determination of remuneration of executive directors and other positions that report to the chief executive.
  - Be sensitive to pay and employment conditions elsewhere in the NHS, especially when determining annual salary increases.
  - Ensure that increases are not made where Trust or individual performance do not justify them.
  - Ensure that pay arrangements provide equal pay for work of equal value.
  - Take into account internal relativities between the executive team and with other senior posts, both Agenda for Change and non-Agenda for Change.
  - Ensure transparent processes so that individuals know how their pay might be increased and third parties can be clear that the processes are auditable and compliant.

- Ensure that any performance-related element of executive directors' remuneration is transparent, stretching and designed to promote the long-term sustainability of the Trust. The committee will should take as a baseline for performance any required competencies specified in the job description for the post.
- Monitor and assess the output of the evaluation of the performance of individual executive directors, and consider this as well as continuing professional and personal development plans when reviewing changes to remuneration levels.
- Recommend and monitor the level and structure of remuneration for senior management. The Board defines senior management this purpose as the first layer of management below Board level.
- The Committee will work with the chief executive to determine the remuneration of the other executive directors.

**Responsibilities**

On behalf of the Board of Directors, the Committee has the following responsibilities:

- To identify and appoint candidates to fill posts within its remit as and when they arise.
- In doing so, to adhere to relevant laws, regulations, trust policies and the principles and provisions regarding the levels and components of executive directors' remuneration as defined by section E of the Code of governance for NHS provider trusts.
- To be sensitive to other pay and employment conditions in the Trust and elsewhere in the NHS, especially when determining annual salary increases.
- To keep the leadership needs of the Trust under review at executive level to ensure the continued ability of the Trust to operate effectively in the health economy.
- To give full consideration to and make plans for succession planning for the chief executive and other executive directors taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board in the future.
- To sponsor the Trust's leadership development and talent management programmes to support succession plans and meet specific recruitment and retention needs.
- To ratify the process for medical and dental Clinical Excellence Awards
- To review executive team skillsets, identify any gaps and consider how they should be addressed

**Meetings**

Meetings of the Committee shall be formal, minuted and compliant with relevant statutory and good practice guidance as well as the Trust's codes of conduct.

The Committee will usually meet four times a year.

The Chair of the Committee may cancel, postpone or convene additional meetings as necessary for the Committee to fulfil its purpose and discharge its duties.

The Board of Directors, Chief Executive and Chief People Officer may request additional meetings if they consider it necessary.

Notice of each meeting confirming the venue, time and date together with an Agenda shall be circulated by the Secretary to each member of the Committee at least five clear days prior to the date of the meeting.

### Conflicts of interest

All members and attendees of the Committee must declare any relevant potential interests at the commencement of any meeting. The Chair of the Committee will determine if there is a conflict of interest such that the member and/or attendee will be required not to participate in a discussion.

### Chairing

The Committee shall be chaired by the Chair of the Trust.

If the Chair is absent or has a conflict of interest which precludes their attendance for all or part of a meeting, the Committee shall be chaired by the senior independent director of the Trust.

### Secretariat

The Company secretary, working closely with the chief people officer, shall be the secretary to the Committee and provide administrative support and advice to the Chair and membership. The duties of the secretary shall include but not be limited to:

- Preparation of the draft agenda for agreement with the chair
- Organisation of meeting arrangements, facilities and attendance
- Collation and distribution of meeting papers
- Taking the minutes of meetings and keeping a record of matters arising and issues to be carried forward.
- Maintaining the Committee's work programme.

### Membership

#### **Members with voting rights**

The Committee shall comprise all non-executive directors of the Trust who shall each have full voting rights.

#### **Ex-officio attendees without voting rights**

- Chief Executive
- Chief People Officer

#### **In attendance without voting rights**

- The secretary to the Committee (for the purposes described above)
- Any other member of the Board of Directors, senior member of Trust staff or external advisor considered appropriate by the chair of the Committee.

### Quorum

For any meeting of the Committee to proceed, two non-executive members of the Committee must be present.

A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

#### **Attendance**

Members and attendees are expected to attend all meetings or to send apologies to the Chair and Committee secretary at least five clear days\* prior to each meeting.

Attendees, including the secretary to the Committee, will be asked to leave the meeting should their own conditions of employment be the subject of discussion.

The committee Chair may ask any person in attendance who is not a member of the committee to withdraw from a meeting to facilitate open and frank discussion of a particular matter.

#### **Papers**

Meeting papers shall be distributed to members and attendees at least five clear days\* prior to the meeting.

#### **Reporting**

The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance. Draft minutes will be submitted for formal agreement at the next committee meeting. The Committee chair shall prepare a report of each Committee meeting for submission to the Board of Directors at its next formal business meeting.

#### **Review**

These terms of reference shall be reviewed annually or more frequently if necessary. The review process should include the company secretarial team for best practice advice and consistency.

The next scheduled review of these terms of reference will be undertaken by the Committee before approval by the Board of Directors at its meeting in March 2024.

#### **\* Definitions**

- In accordance with the Trust's constitution, 'clear day' means a day of the week not including a Saturday, Sunday or public holiday.