

Terms of reference
Name of governance body
Nomination and Remuneration ('Nom and Rem' or 'N&R') Committee
Constitution
The Nomination and remuneration committee (the Committee) is constituted as a statutory non-executive committee of the Trust's Board of Directors.
Accountability
The Committee is accountable to the Board of Directors for its performance and effectiveness in accordance with these terms of reference.
Authority
<p>The Committee is authorised by the Board of Directors to:</p> <ul style="list-style-type: none"> • Appoint or remove the chief executive, and set the remuneration and allowances and other terms and conditions of office of the chief executive. • 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. • Consider any activity within its terms of reference. • Seek relevant information from within the Trust. (All departments and employees are required to co-operate with any request made by the committee). • Instruct independent consultants in respect of executive director remuneration. • 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.
Purpose
<p>The purpose of the Committee is to:</p> <ul style="list-style-type: none"> • Determine the structure, size and composition (including the skills, knowledge, experience and diversity) 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. • Work with the chief executive to identify and appoint candidates to fill all executive director and other positions that report to the chief executive. • 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"> • Salary, including any performance-related pay or bonus; • Provisions for other benefits, including pensions and cars; • Allowances; • Payable expenses; • Compensation payments.

- Set the overall policy for the remuneration packages and contractual terms of the executive management team.

Duties and responsibilities

Duties (nominations)

- When a vacancy is identified, evaluate the balance of skills, knowledge and experience on the Board, and its diversity, 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.
- Consider candidates from a wide range of backgrounds on merit against objective criteria.
- 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 and keep under review the national NHSI VSM pay strategy and associated QVH VSM pay principles in respect of executive board directors and other positions that report to the chief executive.
- 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, without paying more than is necessary for this purpose, and at a level which is affordable for the Trust.
- Use national guidance and market benchmarking analysis in the annual determination of remuneration of executive directors and other positions that report to the chief executive, while ensuring that increases are not made where Trust or individual performance do not justify them.
- Monitor and assess the output of the evaluation of the performance of individual executive directors, and consider this output when reviewing changes to remuneration levels.
- 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 D of the FT *Code of Governance*.
- To be sensitive to other pay and employment conditions in the Trust.
- 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 recommendations of the Employer Based Awards Committee for medical and dental Clinical Excellence Awards

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 three 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 Director of workforce and organisational development may request additional meetings if they consider it necessary.

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 his or her attendance for all or part of a meeting, the Committee shall be chaired by the senior independent director of the Trust.

Secretariat

The Director of Corporate affairs and communications, working closely with the Director of Workforce and organisational development, 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
- Director of Workforce and Organisational Development

In attendance without voting rights

- The secretary to the Committee (for the purposes described above)

<ul style="list-style-type: none"> Any other member of the Board of Directors, senior member of Trust staff or external advisor considered appropriate by the chair of the Committee.
<p>Quorum</p> <p>For any meeting of the Committee to proceed, two non-executive members of the Committee must be present.</p>
<p>Attendance</p> <p>Members and attendees are expected to attend all meetings or to send apologies to the chair and Committee secretary at least one clear day* prior to each meeting.</p> <p>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.</p>
<p>Papers</p> <p>Meeting papers shall be distributed to members and attendees at least five clear days* prior to the meeting.</p>
<p>Reporting</p> <p>Minutes of the Committee's meetings shall be recorded formally and ratified by the Committee at its next meeting.</p> <p>The Committee chair shall prepare a report of each Committee meeting for submission to the Board of Directors at its next formal business meeting.</p>
<p>Review</p> <p>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.</p> <p>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 2021.</p>
<p>* Definitions</p> <ul style="list-style-type: none"> In accordance with the Trust's constitution, 'clear day' means a day of the week not including a Saturday, Sunday or public holiday.