Terms of Reference for the Council of Governors Nominations and Remuneration Committee

Please note that all references in these Terms of Reference to Non-Executive Directors are to be taken to include the Chair, unless specifically indicated otherwise.

1 Authority

1.1 The Council of Governors' Nominations and Remuneration Committee (the Committee) is constituted as a Committee of the Council of Governors. Its constitution and Terms of Reference shall be as set out below, subject to amendment at future meetings of the Council of Governors.

1.2 The Committee is authorised by the Council of Governors to act within its Terms of Reference.

1.3 The Committee is authorised by the Council of Governors, subject to funding approval by the Associate Director of Corporate Governance / Board Secretary, to request professional advice and request the attendance of individuals and authorities from outside the Foundation Trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise of its functions.

1.4 The Committee is also authorised to request such internal information as is necessary and expedient to the fulfilment of its functions.

2 Conflicts of interest

2.1 The Chair of the Foundation Trust, or any Non-Executive Director present at Committee meetings, will withdraw from discussions concerning their own re-appointment, remuneration or Terms of Service.

3 Membership

3.1 The membership of the Committee shall consist of at least six Governors including at least three Public/Patient Governors. Members will be appointed by the Council of Governors.

3.2 Appointments to the Committee shall be for three years for each Governor or, until their period as Governor comes to an end (whichever occurs first). Governors are able to serve more than one three year length of tenure.

3.3 The Committee will normally be chaired by the Foundation Trust Chair. Where the Chair has a conflict of interest, for example when the Committee is considering the Chair's re-appointment or remuneration, the Committee will be chaired by the Governor agreed by the Committee.

3.4 A quorum shall be three members, two of whom must be Governors.

3.5 Where a member is unable to attend meetings of the NRC for an indefinite period for any reason, the Council of Governors will be asked to consider whether that member should

be removed from the membership of the NRC, taking into account the individual circumstances in each case. Where it is agreed that the member will be removed from the NRC, a search will then commence from amongst the Council of Governors to fill the vacancy.

4 Secretary

4.1 The Associate Director of Corporate Governance / Board Secretary shall be available to advise the Committee.

5 Attendance

5.1 Only members of the Committee have the right to attend Committee meetings.

5.2 At the invitation of the Committee, meetings shall routinely be attended by the Associate Director of Corporate Governance / Board Secretary and Director of Human Resources.

5.3 Other persons may be invited by the Committee to attend a meeting so as to assist in deliberations.

6 Frequency of meetings

6.1 Meetings shall be held as required, but at least twice in each financial year.

6.2 With the agreement of the Chair, members of the Committee may participate in meetings of the Committee by means of remote access (by way of telephone, video or computer link or otherwise) provided that they can hear, be heard and vote at the meeting in real time. Normal rules relating to quoracy will apply to the functioning of such a meeting. For the avoidance of doubt, presence at a meeting by remote access shall constitute presence at a meeting in person, for the purposes of quoracy.

7. Remit of the Council of Governors Nominations and Remuneration Committee

With regard to nominations the Committee will:

7.1 Periodically review the balance of skills, knowledge, experience and diversity of the Non-Executive Directors and, having regard to the views of the Board of Directors and relevant guidance on Board composition, make recommendations to the Council of Governors with regard to the outcome of the review.

7.2 Take into account the views of the Board of Directors on the qualifications, skills and experience required for each position.

7.3 Review annually the time commitment requirement for Non-Executive Directors.

7.4 Give consideration to succession planning for Non-Executive Directors, taking into account the challenges and opportunities facing the Foundation Trust and the skills and expertise needed on the Board of Directors in the future and; make recommendations to the Council of Governors concerning plans for succession, particularly for the key role of Chair.

7.5 Agree with the Council of Governors a clear process for the nomination of a Non-Executive Director.

7.6 For each appointment of a Non-Executive Director, agree a description of the role, capabilities and, expected time commitment required.

7.7 Make recommendations for suitable Non-Executive Director / Chair candidates to fill vacant posts within the Committee's remit, for appointment by the Council of Governors.

7.8 Ensure that on appointment Non-Executive Directors receive a formal Terms of Engagement which will set out clearly what is expected of them and include the remuneration, allowances and other Terms and Conditions.

7.9 Make recommendations to the Council of Governors in respect of the re-appointment of any Non-Executive Director. Any term beyond six years must be subject to a particularly rigorous review and adhere to the guidance provided in the Code of Governance for NHS Provider Trusts.

7.10 Where there has been a finding of a major breach of conduct in relation to a Non Executive Director or a Governor (or, where appropriate, two or more findings of minor breaches of conduct), review and consider the issue, the process of investigation and the findings. When satisfied that the process has been followed appropriately, the Committee shall then refer the matter on to the Council of Governors.

7.11 To be consulted by the Board of Directors on the appointment of the Senior Independent Director and to report on this consultation to the Council of Governors.

7.12 Review and approve the annual appraisal process for the Chair.

7.13 Review and approve the annual appraisal process for the Non-Executive Directors.

With regard to remuneration the Committee will:

7.14 In accordance with all relevant laws and regulations, recommend to the Council of Governors the remuneration, allowances and other Terms and Conditions for Non-Executive Directors; taking into account the views of the Chair (except in respect of his/her own remuneration, allowances and other Terms and Conditions), the Chief Executive Officer and any external advisers.

In adhering to all relevant laws and regulations establish levels of remuneration which:

7.14.1 Reflect the time commitment and responsibilities of the roles;

7.14.2 Take into account appropriate benchmarking and market-testing, while ensuring that increases are not made where Foundation Trust or individual performance do not justify them; and

7.14.3 Are sensitive to pay and employment conditions elsewhere in the Foundation Trust.

7.15 Oversee other related arrangements for Non-Executive Directors.

8 Minutes and reporting

8.1 Formal minutes shall be taken of all Committee meetings and once approved by the Committee, circulated to all members of the Council of Governors unless a conflict of interest or matter of confidentiality exists.

8.2 After each meeting, the Committee will provide a report on the matters discussed to the next formal Council of Governors meeting.

9 Performance evaluation

9.1 The Committee shall review annually its collective performance.

10 Review

10.1 The Terms of Reference of the Committee shall be reviewed by the Council of Governors at least annually.

30 September 2026