



TERMS OF REFERENCE

COUNCIL OF GOVERNORS' NOMINATIONS AND REMUNERATION COMMITTEE

1 PURPOSE

The Council of Governors' Nomination and Remuneration Committee is constituted as a standing committee of the Council of Governors.

The committee is authorised by the Council of Governors to act within its terms of reference, as set out below, subject to amendments at future meetings of the Council of Governors.

The committee is authorised by the Council of Governors to obtain such internal information as it considers necessary for or expedient to the exercise and fulfilment of its functions. All members of staff of the Trust are requested to cooperate with any request made by the committee.

The committee is authorised by the Council of Governors, subject to funding approval by the Chief Executive or Trust Secretary acting on behalf of the Chief Executive, to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise its functions.

2 DUTIES/RESPONSIBILITIES

2.1 Nominations

- To regularly review the balance of skills, knowledge, experience and diversity of the Non-Executive Directors in conjunction with the Board of Directors
- To give consideration to succession planning for Non-Executive Directors in the course of its work, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board of Directors in the future
- To keep the leadership needs of the Trust under review at Non-Executive Director level to ensure the continued ability of the Trust to operate effectively in the health economy
- To keep up to date and fully informed about strategic issues and commercial changes affecting the Trust and the environment in which it operates
- To agree with the Council of Governors a clear process for the nomination of the Chairman or a Non-Executive Director

- To take into account the views of the Board of Directors on the qualifications, skills and experience required for each Non-Executive Director position
- To prepare a description of the role and capabilities required for an appointment of a Non-Executive Director, including the Chairman
- To identify and nominate candidates as Non-Executive Directors for approval by the Council of Governors respectively
- To ensure that a proposed Chairman or Non-Executive Director's other significant commitments are disclosed to the Council of Governors before appointment and that any changes to their commitments are reported to the Council of Governors as they arise
- To 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
- To ensure that on appointment Non-Executive Directors including the Chair receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board of Directors' meetings
- To review the results of the Board of Directors' performance evaluation process that relate to the composition of the Board of Directors
- To make recommendations to the Council of Governors concerning plans for succession particularly for the key roles of Chairman and chairs of committees
- To make recommendations to the Council of Governors on the membership of committees as appropriate, in consultation with the chairs of those committees
- To advise the Council of Governors in respect of reappointment of any Non-Executive Directors in relation to a term beyond eight years, see Appendix.
- To advise the Council of Governors in regard to any matters relating to the removal from office of a Non-Executive Director, including the Chairman.

2.2 Remuneration

- To decide and review the terms and conditions of office of the Non-Executive Directors, including the Chairman, in accordance with all relevant Trust policies, including:
 - Pay
 - Provision for any other benefits
 - Allowances
- To monitor and evaluate the performance of individual Non-Executive Directors
- To comply with all relevant legislation, regulations and Trust policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate Non-Executive Directors whilst remaining cost effective
- To oversee other arrangements for Non-Executive Directors, including but not limited to termination payments.

3. ACCOUNTABLE TO

The committee is accountable to the Council of Governors.

4. REPORTS TO AND METHOD (INCLUDING MINUTES CIRCULATION)

The minutes of all meetings of the committee shall be formally recorded and shall be retained by the Trust Secretary, on behalf of the Chairman.

The committee shall report to the Council of Governors after each meeting of the committee and to make an annual report to the Council of Governors and the Annual Members Meeting.

The Trust Secretary, on behalf of the Chairman, shall ensure that the work of the committee is accurately reported in the Annual Report and Accounts in accordance with any direction from the Independent Regulator.

5. MEMBERSHIP - NAME/DESIGNATION/CHAIR OR DEPUTY

➤ Members

NAME	DESIGNATION	CHAIR/DEPUTY
Tony Pedder	Chairman of the Trust	Chairman
TBC	TBC	Vice Chairman
George Clark	Public Governor	
Christina Herbert	Staff Governor	
John Laxton	Public Governor	
Heather MacDonald	Partner Governor	
Andrew Manasse	Public Governor	
Chris Monk	Staff Governor	
John Warner	Public Governor	
Jeremy Wight	Appointed Governor	

➤ Chair

The Nominations and Remuneration Committee will normally be chaired by the Trust Chairman. Where the Chairman has a conflict of interest, for example when the committee is considering the Chairman's re-appointment, performance, remuneration or termination, the Chairman shall withdraw from the meeting and the committee shall be chaired by the Vice Chair of the Committee.

➤ In attendance

NAME	DESIGNATION
Neil Riley	Trust Secretary
Jane Pellegrina	Trust Membership Manager

➤ Serviced by

NAME	DESIGNATION
Jane Pellegrina	Trust Membership Manager

➤ Lead Officer (If applicable)

NAME	DESIGNATION
Neil Riley	Trust Secretary

6. QUORUM

A quorum shall be five members.

7. MEETING FREQUENCY AND PROCEDURES (MINIMUM IF APPLICABLE)

Meetings shall be held at least every six months.

8. DATE TERMS OF REFERENCE WERE APPROVED

tbc

9. REVIEW DATE

tbc

10. PROCESS FOR REVIEWING EFFECTIVENESS

The effectiveness of the committee will be monitored on an annual basis via the following:

- Annual review and approval of the Terms of Reference by the Council of Governors
- Annual report to the Council of Governors and Annual Members Meeting
- Report of committee's work in Annual Report and Accounts in accordance with direction from the Independent Regulator

11. REPORTING STRUCTURE

(List of Groups/Committees which report to this Committee)

None

PROCEDURAL GUIDANCE ON APPROVING AN ANNUAL RE-APPOINTMENT FOR A NON-EXECUTIVE DIRECTOR

1. Background

Section 4.6 of the Standing Orders of the Board of Directors, as incorporated into the Trust Constitution, stipulates the standard Term of Office for a Non-Executive Director is no more than 4 years and sets the maximum tenure at 2 consecutive Terms of Office.

Provision is made in Section 4.6 for the maximum tenure to be extended by annual reappointment in exceptional circumstances.

2. Criteria for approving an Annual Re-appointment

Circumstances may be deemed *exceptional* if a re-appointment of tenure would maintain stability when the:

- a) Board of Directors and/or the Trust is experiencing a period of stress, or
- b) Board of Directors faces an unplanned sudden and simultaneous loss of a majority of its Non-Executive Directors, or
- c) Board of Directors requires specialist Non-Executive Director input to manage and resolve a time-limited issue.

3. Process for seeking approval for an Annual Re-appointment

Approval for a re-appointment to the maximum tenure for an individual Non-Executive Director must be given by the Council of Governors' Nominations and Remuneration Committee which will in turn make a recommendation to the Council of Governors for final approval.

The case for an extension in exceptional circumstances may be initiated by either the Board of Directors or its Nominations and Remuneration Committee, or by the Council of Governors or its Nominations and Remuneration Committee.

The case must be based on the exception criteria outlined in Section 2 above and should be submitted by a paper to the Council of Governors' Nominations and Remuneration Committee.

In its deliberations, the Council of Governors' Nominations and Remuneration Committee should pay due regard to:

- the issue of eligibility under the exception criteria outlined in Section 2
- matters normally considered in the re-appointment the Non-Executive Director i.e. assessing the existing candidate against the current updated job description and person specification
- additional relevant issues, such as
 - the Non-Executive Director's past annual performance appraisal(s)
 - any changes in the Non-Executive Director's commitments that may have a bearing on the time required to undertake the role
 - any change in the Non-Executive Director's independence, particularly their length of service which is relevant to the determination of their independence (as set out in Section A.3.1 of Monitor's *Code of Governance*).

Appointment

Subject to final approval by the Council of Governors, the Non-Executive Director will be appointed for 1 year only. Further extensions would require the above process to be followed.

The terms and conditions of the appointment will be clearly set out in the Letter of Appointment.

Any such extensions will be reported in the Trust's Annual Report and Accounts, as directed by the Independent Regulator.