

Remuneration, Appointment and Nominations Committee

Terms of Reference

1. Authority

- 1.1 The Remuneration, Nominations and Appointment Committee (the Committee) is constituted as a standing committee of the Council of Governors. The Terms of Reference can only be amended with the approval of the Council of Governors.
- 1.2 The Committee is authorised to secure the attendance of other Trust staff with relevant experience and expertise if it considers this necessary
- 1.3 The Committee (and any Appointment Panel established under the OUH Constitution) is authorised by the Council of Governors, subject to funding approval by the Trust Board, to request professional advice 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 of its functions.

2. Purpose of the Committee

- 2.1 The Committee's remit is to consider and make recommendations to the Council of Governors in relation to the remuneration, terms of service and performance of the Chair and non-executive directors, the appointment/reappointment/removal of the Chair and non-executive directors, and the necessary skills and time commitment required of non-executive directors and the Chair to enable the Trust Board to provide strong and strategic leadership.

3. Membership

- 3.1 The membership of the Committee shall be determined by the Chair of the Council of Governors from amongst those members of the Council of Governors who express an interest in joining it.
- 3.2 Only members of the Council of Governors may be members of the Committee although other individuals may be invited to attend meetings and participate in the work of the Committee with the agreement of its membership as noted in paragraph 1.2 above.
- 3.3 The term of membership should be specified upon appointment.
- 3.4 Membership must include at least:
 - Chair of the Council of Governors [Chair];
 - Two elected public governors;
 - One elected staff governor; and
 - One appointed governor.
- 3.5 The Lead Governor will be a member of the Committee.
- 3.6 The Committee will normally be chaired by the 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 Committee Vice-Chair.
- 3.7 Members may nominate themselves for the role of Vice-Chair; if more than one nomination is received, the Vice-Chair shall be elected by the members of the

Committee. In the event of a tie, the Chair shall have the casting vote.

3.8 The Chair of the Council of Governors may at any time suggest additional governors to join the Committee. The existing membership of the Committee is entitled to be consulted in advance of any additions to the membership.

3.9 The Committee will review its membership annually and may make recommendations at any time to the Chairman of the Council of Governors for the addition or removal of governors from the Committee.

4. Attendance and Quorum

4.1 No business shall be transacted at a meeting unless at least three members of the Committee are present, two of whom must be public governors.

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

5. Frequency of Meetings

5.1 Meetings of the Committee should take place with a frequency to be agreed by its membership as appropriate to fulfil its agreed purpose, but at least twice in each financial year.

5.2 The Chair of the Committee may at any time convene additional meetings of the Committee to consider business that requires urgent attention.

5.3 Meetings of the Committee shall be set at the start of the calendar year.

6. Specific Duties

Remuneration

The Committee will:

6.1 Periodically review and make recommendations to the Council of Governors in respect of a remuneration and terms of service policy for non-executive directors and Chair, taking into account the views of the Chair (except in respect of his or her own remuneration and terms of service) and the views of the Chief Executive and any external advisers.

6.2 In accordance with all relevant laws, regulations and guidance, make recommendations to the Council of Governors in respect of the remuneration and allowances, and the other terms and conditions of office, of the non-executive directors and Chair.

6.3 In adhering to all relevant laws, regulations and guidance, the Committee's recommendations to the Council of Governors should seek to establish levels of remuneration for non-executive directors and the Chair which:

6.3.1 are sufficient to attract, retain and motivate non-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;

6.3.2 reflect the time commitment and responsibilities of the roles;

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

6.3.4 are sensitive to pay and employment conditions elsewhere in the Trust.

6.4 Oversee other related arrangements for non-executive directors and the Chair

Nomination

The Committee will:

- 6.5 Review the performance and terms of non-executive directors and the Chair and make recommendations to the Council of Governors regarding reappointment without open competition, subject to the provisions of the OUH Constitution.
- 6.6 Identify vacancies of non-executive directors and the Chair and adhere to the requirements of the OUH NHS Foundation Trust's Constitution and any guidance agreed by the Council of Governors to convene an Appointment Panel to make a recommendation to the Council of Governors for appointment to a vacancy in the post of non-executive director or Chair.
- 6.7 It is expected that membership of the Appointment Panel for any specific vacancy that arises for a non-executive director (including the Chair) will be drawn from the membership of the Remuneration, Nominations and Appointment Committee, by agreement of the Committee members.
- 6.8 For each vacancy in the post of non-executive director, the Appointment Panel shall prepare a description of the role and capabilities and expected time commitment required.
- 6.9 For each vacancy in the post of non-executive director, the Appointment Panel shall make a recommendation on the appointment to be made by the Council of Governors.
- 6.10 Upon recommending appointment to a vacancy in the post of non-executive director, the Appointment Panel shall
 - 6.10.1 ensure that a proposed non-executive director's other significant commitments are disclosed to the Council of Governors before appointment and that the proposed appointee understands that any changes to his or her commitments should be reported to the Council of Governors as they arise;
 - 6.10.2 ensure that the proposed appointee discloses any business interests that may result in a conflict of interest prior to appointment and understands that any future business interests that could result in a conflict of interest must be reported;
 - 6.10.3 ensure that on appointment non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside attendance at meetings of the Trust Board.
- 6.11 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.
- 6.12 Periodically review the time commitment requirement for non-executive directors, including the Chair.
- 6.13 Give consideration to succession planning for non-executive directors, taking into

account the challenges and opportunities facing the Trust and the skills, knowledge, experience and diversity needed on the Board of Directors in the future.

- 6.14 Make recommendations to the Council of Governors concerning plans for succession, particularly for the key role of Chair.
- 6.15 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.
- 6.16 Keep up to date and be fully informed about strategic issues and commercial changes affecting the Trust and the environment in which it operates.
- 6.17 Advise the Council of Governors in regard to any matters relating to the removal from office of a non-executive director or the Chair.

7. Administrative Support

- 7.1 The Committee will be supported administratively by the office of the Head of Corporate Governance.
- 7.2 The agenda for the meetings will be drawn up and circulated by the office of the Head of Corporate Governance in consultation with the chair of the Committee.
- 7.3 The minutes of a meeting shall be drawn up by the office of the Head of Corporate Governance and submitted for agreement at the next ensuing meeting.

8. Accountability and Reporting Arrangements

- 8.1 The Committee shall be directly accountable to the Council of Governors and will agree work priorities with the Council of Governors on an annual basis.
- 8.2 The Committee should provide an update on its work to each meeting of the Council of Governors through a nominated member of the Committee. Written reports on specific areas of work should be provided as required by the Council of Governors.

9. Conflicts of interest

- 9.1 The Chairman of the Trust, or any non-executive director present at Committee meetings, will withdraw from discussions concerning their own re-appointment, remuneration or terms of service.

10. Monitoring Effectiveness and Compliance with Terms of Reference

- 10.1 The Committee will carry out an annual review of its effectiveness and provide an annual report to the Council on its work in discharging its responsibilities, delivering its objectives and complying with its Terms of Reference.

11. Review of Terms of Reference

- 11.1 The terms of reference of the Committee shall be reviewed at least annually by the Remuneration, Nomination and Appointments Committee and approved by the Council of Governors.

Date adopted: October 2022
Approved by: Council of Governors
Next review date: October 2023