

Terms of Reference — Nominations and Remuneration Committee

1. Purpose

The Nominations and Remuneration Committee (“the Committee”) is a committee of the Board. Its purpose is to advise and make recommendations to the Board on appointments, succession and board composition (nominations function); and remuneration strategy, pay, reward and related terms for the chief executive, executive directors and other senior post-holders (remuneration function). The Committee’s activities must align with the NHF Code of Governance and Code of Conduct and comply with the Regulator of Social Housing’s regulatory standards.

2. Authority

The Committee has been appointed by and reports to the Board. It may obtain professional advice at the organisation’s expense and may invite external advisers. The Committee makes recommendations to the Board but has no delegated authority unless it is explicitly agreed.

3. Membership

- Minimum three Board members.
- Majority non-executive and at least two independents.
- Board appoints the Committee Chair.
- Tenure normally up to three years, renewable once.
- The Board Chair is an ex-officio Committee member with voting rights but typically does not serve as Committee Chair.

4. Attendance

Only members have the right to attend. Executive staff and advisers may attend by invitation, except during discussions on their own performance or remuneration.

5. Quorum and Meetings

Quorum: two members, including at least one non-executive.

Meets at least twice per year.

Minutes are circulated to the Board unless confidentiality requires redaction.

6. Duties:

- **Nominations**

The Committee shall:

- Lead recruitment and recommend candidates for Board appointment.
- Maintain Board skills and diversity matrix.
- Oversee succession planning for Board and executive leadership.
- Ensure induction and ongoing training and development for Board members.
- Recommend reappointment of Board members based on performance and need.

- Oversee Board Effectiveness Reviews.

- **Remuneration**

The Committee shall:

- Recommend executive remuneration strategy including salary, pension arrangements and other benefits, aligned with value for money and organisational objectives.
- Annually review remuneration, pension provision and other benefits for the Chief Executive and senior executives.
- Review and recommend any non-contractual severance payments, ensuring proportionality, affordability and compliance with contractual and regulatory requirements.
- Ensure remuneration, pension and benefit arrangements align with fairness, resident interests and relevant regulatory standards.
- Oversee executive and non-executive remuneration benchmarking, including pension and benefit comparators, ensuring the use of independent external consultants where appropriate.
- Ensure proper transparency and disclosure of senior pay, including pension arrangements and benefits, in the annual report and accounts.

- **Severance Governance**

The Committee will oversee governance arrangements relating to:

- Settlement agreements involving senior executives
- Non-contractual severance payments
- Termination agreements for the Chief Executive

The Committee shall:

- Review any non-contractual severance payments
- Recommend such payments to the Board for approval
- Ensure compliance with regulatory expectations and value for money principles

The Committee will ensure that the Governance Handbook and Scheme of Delegation reflect the organisation's arrangements for severance, settlement agreements and remuneration governance.

7. Conflicts of Interest

Members must declare interests. The Chair determines participation for conflicted members. All discussions are confidential.

8. Reporting

The Committee reports annually to the Board and ensures appropriate disclosures in annual accounts. Terms of reference should be published where appropriate.

The Committee will liaise with the Audit and Risk Committee where remuneration structures may give rise to financial or organisational risk. The Committee forms part of the Group's risk governance framework and will ensure that risks within its remit are appropriately identified, monitored and escalated through the Corporate Risk Register and Board Assurance Framework.

9. Access to Information

The Committee may request any necessary information and has the authority to obtain independent professional advice at the organisation's expense to fulfil its duties.

10. Compliance Monitoring

Ensure activities align with NHF Code of Governance, Code of Conduct, and the Regulator of Social Housing's standards. Review regulatory updates regularly.

11. Review of Terms of Reference

Reviewed annually by the Committee and approved by the Board.

12. Exceptional Decisions Committee

Where urgent matters arise which cannot reasonably wait for the next scheduled meeting, decisions may be referred to the Exceptional Decisions Committee, with outcomes reported to the Committee and Board.

13. Forward Plans

The Committee shall maintain an annual forward workplan aligned with Board priorities.

14. Supporting Documents

- Skills matrix
- Succession plan
- Remuneration policy
- Conflicts policy
- Board development programme