

### CONTROLLED DOCUMENT

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## TERMS OF REFERENCE OF THE REMUNERATION, NOMINATIONS AND WORKFORCE COMMITTEE

|                                                         |                                                                                                                       |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>CATEGORY:</b>                                        | Terms of Reference                                                                                                    |
| <b>CLASSIFICATION:</b>                                  | Governance                                                                                                            |
| <b>PURPOSE:</b>                                         | To set out purpose, delegated responsibilities and authority of the Remuneration, Nominations and Workforce Committee |
| <b>CONTROLLED DOCUMENT NUMBER:</b>                      | BC/CG/009                                                                                                             |
| <b>VERSION NUMBER:</b>                                  | 007                                                                                                                   |
| <b>CONTROLLED DOCUMENT SENIOR LEADERSHIP TEAM LEAD:</b> | Director of Corporate Governance                                                                                      |
| <b>CONTROLLED DOCUMENT AUTHOR:</b>                      | Company Secretary                                                                                                     |
| <b>APPROVED BY:</b>                                     | Board                                                                                                                 |
| <b>APPROVED ON:</b>                                     | 12 March 2025                                                                                                         |
| <b>IMPLEMENTED ON:</b>                                  | 12 March 2025                                                                                                         |
| <b>REVIEW PERIOD:</b>                                   | Annually                                                                                                              |
| <b>REVIEW DATE:</b>                                     | March 2026                                                                                                            |
| <b>ASSOCIATED DOCUMENTS:</b>                            | BC/CG/002 Standing Orders<br>BC/CG/003 Scheme of Reservation and Delegation of Powers                                 |
| <b>Essential Reading for:</b>                           | All members of the Board, the Senior Leadership Team, Senior Managers and Service Leads.                              |
| <b>Information for:</b>                                 | All Staff                                                                                                             |

## Document Consultation and Review Process:

|                                                                      |                                                 |
|----------------------------------------------------------------------|-------------------------------------------------|
| Groups/Individuals who have overseen the development of this Policy: | Remuneration, Nominations & Workforce Committee |
| Groups/Individuals Consulted:                                        | Senior Leadership Team                          |

## Document version control:

| Date             | Version | Amendments made                                                                                                                                                                                                                                                             | Amendments Approved by                                     |
|------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| 10 March 2021    | 002     | Controlled document front sheet added.                                                                                                                                                                                                                                      | R & N Committee and Board                                  |
| 10 March 2021    | 002     | Paragraph 1.1 and 1.2: updated to reference the revised Articles of Association.                                                                                                                                                                                            | R & N Committee and Board                                  |
| 10 March 2020    | 002     | New paragraph 2.1.3 added to reflect the addition of workforce oversight responsibilities to the Committee's remit                                                                                                                                                          | R & N Committee and Board                                  |
| 10 March 2020    | 002     | New section 3.3 added to reflect the addition of workforce oversight responsibilities to the Committee's remit                                                                                                                                                              | R & N Committee and Board                                  |
| 18 March 2021    | 003     | No director or senior manager shall be involved in any decisions as to their own remuneration; independent advice will be sought by the Committee                                                                                                                           | R & N Committee and Board                                  |
| 22 March 2022    | 004     | Annual review - no changes required                                                                                                                                                                                                                                         | RN&W Committee - 14 Jan 22<br>Board - 22 March 22          |
| 28 March 2023    | 005     | Annual review - section 4.1 amended to read: <i>'The Committee shall comprise at least four members, including the Chair of the Board and non-executive members of the Board, one of whom may be a co-optee. Members of the Committee shall be appointed by the Board.'</i> | RN&W Committee - 11 January 2023<br>Board - 28 March 2023  |
| 13 February 2024 | 006     | Annual review - minor updates.                                                                                                                                                                                                                                              | RN&W Committee - 13 February 2024<br>Board - 20 March 2024 |
| 29 January 2025  | 007     | Annual review - minor role updates and amendment to paragraphs 4.1 and 4.2 to reflect current attendees and agreed Committee structure.                                                                                                                                     | RN&W Committee - 29 January 2025<br>Board – 12 March 2025  |

## 1. INTRODUCTION

### 1.1 Article 26 (1) of Brunelcare's Articles of Association states that:

*‘The directors may delegate any of their powers or functions to a committee of two or more directors but the terms of any delegation must be set out in Terms of Reference approved by the Board and included as a Schedule to its Standing Orders.’*

- 1.2 In accordance with Article 26(1) the Board of Directors has established a committee to be known as the *Remuneration, Nomination and Workforce Committee* (referred to throughout this document as ‘the Committee’). The Terms of Reference and operating arrangements set by the Board in respect of this committee are provided below.

## **2. PURPOSE**

- 2.1 The purpose of the Committee is to:

- 2.1.1 provide assurance to the Board in relation to the Charity’s arrangements for the remuneration and terms of service, including contractual arrangements, for all staff working for Brunelcare;
- 2.1.2 provide advice to the Board on the remuneration and terms of service for trustees, the Chief Executive and members of the Senior Leadership Team;
- 2.1.3 Provide assurance on the development and delivery of a workforce and organisational development strategy that supports the Charity’s strategy and ensures an appropriate workforce culture is in place.
- 2.1.4 regularly review the composition of the Board;
- 2.1.5 identify and nominate for the approval of the Board, candidates to fill board vacancies (including membership of committees) as and when they arise;
- 2.1.6 ensure arrangements in relation to remuneration and nomination are effective and comply with relevant Codes of Governance; and
- 2.1.7 perform certain, specific functions as delegated by the Board and listed in section 3 of these Terms of Reference.

## **3. DELEGATED RESPONSIBILITIES AND AUTHORITY**

### **3.1 Remuneration**

The Committee shall:

- 3.1.1 have responsibility for setting the Remuneration Policy for the Board and the Senior Leadership Team, including pension rights and any compensation payments. The Board itself or, where required by the Articles of Association, the members of the Charity should determine the remuneration of the Board (Trustees) within the limits set in the Articles of Association. No director or senior manager shall be involved in any decisions as to their own remuneration; independent advice will be sought by the Committee.
- 3.1.2 consider and recommend the remuneration of the Chief Executive to the Board for approval. Have responsibility for setting the Remuneration Policy

for the Senior Leadership Team, including pension rights and any compensation payments. It shall also, recommend and monitor the level and structure of remuneration for other senior managers;

- 3.1.3 in determining such policies, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Charity Code of Governance and associated guidance. The objective of such policies shall be to attract, retain and motivate executive management of the quality required to run the Charity successfully without paying more than is necessary. The remuneration policies should have regard to the risk appetite of the Charity and alignment to its long term strategic goals;
- 3.1.4 when setting the remuneration policy for directors and the Senior Leadership Team, review and have regard to pay and employment conditions across the Charity, and market factors especially when determining annual salary increases;
- 3.1.5 Propose and recommend any cost of living and salary increase recommendations for staff (to the Board), subject to affordability;
- 3.1.5 review the on-going appropriateness and relevance of the remuneration policies;
- 3.1.6 within the terms of the agreed policy and in consultation with the chair and/or chief executive, as appropriate, determine the total individual remuneration package of each member of the Senior Leadership Team, and other designated senior managers including bonuses and incentive payments;
- 3.1.7 obtain reliable, up-to-date information about remuneration in other charities and housing associations of comparable scale and complexity. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Charity but within any budgetary restraints imposed by the board;
- 3.1.8 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee;
- 3.1.9 approve the design of, and determine targets for, any performance-related pay schemes operated by the Charity and approve the total annual payments made under such schemes;
- 3.1.10 determine the policy for, and scope of, pension arrangements for members other designated senior managers;
- 3.1.11 ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Charity, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 3.1.12 oversee any major changes in employee benefits structures or terms and conditions throughout the Charity;

- 3.1.13 agree the policy for authorising claims for expenses from directors and members of the Senior Leadership Team;
- 3.1.14 provide assurance to the Board that the Charity has an effective People Strategy in place and that its overall approaches to people management supports the delivery of the Charity's corporate aims;
- 3.1.15 advise the Board on the Chair and Chief Executive Officer's appraisal schemes and ensure that regular reviews are undertaken (at least annually);
- 3.1.16 review, at least annually, the Chief Executive Officer's performance and remuneration and make recommendations to the Board;
- 3.1.17 ensure that at least annually, hat the Chief Executive, reviews the objectives, performance and remuneration of members of the Senior Leadership Team;
- 3.1.18 review and recommend any significant changes to the organisation's pension, redundancy and ex-gratia payment arrangements for the company and recommend to the Board any discretionary payments to the pension scheme for the Chief Executive or Senior Leadership Team in line with the policies of the organisation; and
- 3.1.19 review and approve any changes to the structure of the Senior Leadership Team including the establishment of new roles, remuneration packages and severance packages associated with the changes.

## 3.2 Nominations

The Committee shall:

- 3.2.1 regularly review the structure, size and composition (*including the skills, knowledge, experience and diversity*) of the Board and make recommendations to the board with regard to any changes;
- 3.2.2 oversee the recruitment of Trustees and the Chief Executive, and approve their appointment, employment package and any terms;
- 3.2.3 give full consideration to succession planning for directors, the Senior Leadership Team in the course of its work, taking into account the challenges and opportunities facing the Charity, and the skills and expertise needed in the future;
- 3.2.4 keep under review the leadership needs of the organisation with a view to ensuring the continued ability of the Charity to meet its Objects and long term vision;
- 3.2.5 keep up to date and fully informed about strategic issues and economic changes affecting the Charity and the market in which it operates;
- 3.2.6 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 3.2.7 before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a

particular appointment. In identifying suitable candidates the Committee shall:

- a. use open advertising or the services of external advisers to facilitate the search;
  - b. consider candidates from a wide range of backgrounds; and
  - c. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, taking care that appointees have enough time available to devote to the position.
- 3.2.8 for the appointment of a Chair, prepare a job specification, including the time commitment expected. A proposed chair's other significant commitments should be disclosed to the Board before appointment and any changes to the Chair's commitments should be reported to the Board as they arise;
- 3.2.9 prior to the appointment of a director or member of the Senior Leadership Team, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 3.2.10 ensure that on appointment to the Board, Trustees and 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 of board meetings;
- 3.2.11 review the results of the board performance evaluation process that relate to the composition of the Board;
- 3.2.12 review annually the time required from directors. Performance evaluation should be used to assess whether the directors are dedicating enough time to fulfil their duties;
- 3.2.13 ensure a full and rigorous appraisal process for individual members of the board and its committees is carried out annually as well as a collective assessment of the performance of the Board by all members. Oversee an independent review of the Board at least every three years;
- 3.2.14 ensure the appropriate Board involvement in any staff disciplinary and appeal panels;
- 3.2.15 oversee handling of grievance and disciplinary matters relating to the Chief Executive and the Board; and
- 3.2.16 establish and review the policies and procedures relating to Board including the Governance Handbook.

The Committee shall also make recommendations to the Board concerning:

- 3.2.17 formulating plans for succession for directors and members of the Senior Leadership Team, and in particular for the key roles of Chair and Chief Executive Officer;
- 3.2.18 suitable candidates for the role of Senior Independent Director;

- 3.2.19 membership of board committees, in consultation with the Chair of those committees;
- 3.2.20 the re-appointment of any director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required;
- 3.2.21 the re-appointment of directors at the end of their term, in line with Brunelcare's Articles of Association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (*particularly in relation to directors being re-elected for a term beyond nine years*);
- 3.2.22 any matters relating to the continuation in office of any director at any time including the suspension or termination of service of a member of the Senior Leadership Team as an employee of the Charity subject to the provisions of the law and their service contract;
- 3.2.23 the appointment of any director to executive or other office; and
- 3.2.24 the joining, induction and development arrangements for Trustees.

### 3.3 Workforce

The Committee shall:

- 3.3.1 consider workforce development and strategy relating to the workforce (including volunteers);
- 3.3.2 monitor implementation programmes for all workforce issues and service delivery in line with the Charity's Workforce Strategy and wider strategic objectives;
- 3.3.3 provide assurance to the Board that the organisation is compliant with relevant legislation, appropriate external requirements and policies;
- 3.3.4 oversee the development and implementation of the Charity's equity, equality, diversity and inclusion strategy and related plans;
- 3.3.5 in line with the Board Assurance Framework (BAF) review, assess and identify risk within the workforce portfolio, ensuring appropriate mitigation and escalation;
- 3.3.6 review key workforce indicators including, but not exclusively, sickness absence, continuous professional development, appraisal, turnover and mandatory training;
- 3.3.7 provide a focus on workforce activity, role design, development and education, employee relations, health and well-being and people engagement across all staff groups;
- 3.3.8 oversee the benefits realisation of workforce initiatives and processes including technology based solutions; and

3.3.9 approve appropriate policies in line with the Charity's processes.

### **3.4 Liaison with Other Board Committees**

The Committee will:

3.4.1 Work and liaise as necessary with all other board committees.

### **3.5 Authority**

The Committee is authorised by the Board to obtain, at the Charity's expense, outside legal or other professional advice on any matters within its terms of reference.

## **4. MEMBERSHIP**

4.1 The Committee shall comprise at least three members, including non-executive members of the Board, one of whom may be a co-optee. Members of the Committee shall be appointed by the Board.

### **Attendees**

4.2 Only members of the Committee have the right to attend committee meetings. However, other individuals such as the Chair of the Board, Chief Executive Officer, the Director of Human Resources and OD and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

4.3 The Company Secretary and Director of Corporate Governance will be regular attendees but will absent themselves where matters in relation to their position are on the agenda for discussion.

### **Appointment of Members**

4.4 Appointments to the Committee are made by the Board and shall be reviewed by the Board each year as part of its annual review of Committee terms of reference.

4.5 The Board shall appoint the Committee Chair who shall be a non-executive member of the Board. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Board shall not be the Chair of the Committee.

## **5. COMMITTEE MEETINGS**

### **Quorum**

5.1 The quorum necessary for the transaction of business shall be two.

5.2 Where members notify the Committee Chair or Committee Secretariat that they are unable to attend a meeting, and there is a danger that the Committee will not be quorate, the Chair can invite another independent member to become a temporary member of the Committee. Further, in the event that only two members attend, and attendees are unable



to reach an agreement on any matters for approval or decision, these will be taken to the next Board meeting for ratification.

### ***Frequency of Meetings***

- 5.3 The Committee shall meet at least twice a year and otherwise as required.
- 5.4 The Chair of the Committee may call additional meetings if urgent business is required to be taken forward between scheduled meetings.

### ***Openness and Transparency***

- 5.5 In line with the Board's commitment to openness and transparency in the conduct of all its business, which extends equally to the work carried out on its behalf by committees, these terms of reference shall be published on Brunelcare's Intranet and Internet sites. Further, an overview of matters discussed at meetings of the Committee will also be published within 10 days of a meeting.

### ***Secretariat***

- 5.6 The Corporate Governance Team will provide secretariat services to the Committee.

## **6. NOTICE OF MEETINGS**

- 6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members and other attendees, as appropriate, at the same time. The templates issued by the Corporate Governance Team will be used for all papers.

## **7. MINUTES OF MEETINGS**

- 7.1 The committee secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 7.2 The draft minutes of the meeting will be circulated to the Committee Chair within 10 working days of the meeting.

## **8. SUPPORT TO COMMITTEE MEMBERS**

- 8.1 The Committee shall:
  - 8.1.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
  - 8.1.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.

- 8.1.3 Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of a Charitable Company Limited by Guarantee and its nomination arrangements; including the Charity Governance Code as well as guidelines published by the Association of British Insurers and the National Association of Pension Funds and any other applicable rules, as appropriate.
- 8.1.4 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

## **9. CHAIR'S ACTION ON URGENT MATTERS**

- 9.1 There may, occasionally, be circumstances where decisions which would normally be made by the Committee, needs to be taken between scheduled meetings, and it is not practicable to call a meeting of the Committee. In these circumstances, the Chair of the Committee, supported by the Company Secretary as appropriate, may deal with the matter on behalf of the Committee - after first consulting with at least two other Representative Members of the Committee. The Company Secretary must ensure that any such action is formally recorded and reported to the next meeting of the Committee for consideration and ratification.
- 9.2 Chair's action may not be taken where the Chair has a personal or business interest in the urgent matter requiring a decision.

## **10. REPORTING AND ASSURANCE ARRANGEMENTS**

- 10.1 The Committee Chair shall:
  - 10.1.1 report formally, regularly and on a timely basis to the Board on the Committee's activities. This includes verbal updates on activity, and the submission of Committee minutes and written reports;
  - 10.1.2 bring to the Board's specific attention any significant matters under consideration by the Committee;
  - 10.1.3 ensure appropriate escalation arrangements are in place to alert the Chair of the Board, Chief Executive Officer or Chairs of other relevant committees/groups of any urgent/critical matters that may affect the operation and/or reputation of the Charity.
- 10.2 The Board may also require the Committee Members to report upon the Committee's activities at staff and public meetings. Should the Board decide to hold an Annual General Meeting, the Committee Chair should attend to answer any questions on the Committee's activities.
- 10.3 The Company Secretary shall oversee a process of regular and rigorous self-assessment and evaluation of the Committee's performance and operation including that of further committees established.

- 10.4 The Committee shall provide a written annual report to the Board on its activities. The report will also record the results of the Committee's self-assessment and evaluation.

## **11. RELATIONSHIP & ACCOUNTABILITIES WITH THE BOARD AND ITS COMMITTEES/GROUPS**

- 11.1 Although the Board has delegated authority to the Committee for the exercise of certain functions (as set out within these terms of reference), the Board retains overall responsibility for its performance in exercising the functions set out in these terms of reference.
- 11.2 The Committee will work closely with the Board's other committees, joint and sub committees and groups to provide advice and assurance to the Board through the:
- 11.2.1 joint planning and coordination of Board and Committee business;
  - 11.2.2 sharing of appropriate information; and
  - 11.2.3 applicable escalation of concerns.

In doing so, this will contribute to the integration of good governance across the Charity, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.

- 11.3 The Committee shall embed the Charity's agreed Values and Behaviours, through the conduct of its business.

## **12. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS**

- 12.1 The requirements for the conduct of business as set out in Brunelcare's Standing Orders are equally applicable to the operation of the Committee, except in the following areas:
- 13.1.1 Quorum
  - 13.1.2 Issue of Committee papers

## **13. REVIEW**

- 13.1 These Terms of Reference shall be reviewed annually by the Committee. The Committee Chair will report any changes to the Board and seek ratification of the proposed changes.