

**REMUNERATION AND NOMINATIONS COMMITTEE
TERMS OF REFERENCE**

Name	Remuneration and Nominations Committee
Purpose	To lead the process for board appointments and make recommendations to the Board. To make recommendations to the Board on all aspects of the individual remuneration packages of the executive directors and other members of senior management.
Constitution and Authority	<p>The Remuneration and Nominations Committee (the Committee) is constituted as a standing committee of the SPV (the Company) Board (the board).</p> <p>The Committee has no executive powers, other than those specifically delegated by the Board in these terms of reference.</p> <p>Legal or other independent professional advice and the attendance of outsiders with relevant experience and expertise can be sought, if required.</p>
Declarations of Interest	The Committee will consider the declarations of interest of its membership at each meeting.
Membership	<p>The membership of the Committee is as follows:</p> <ul style="list-style-type: none"> • All members of the Committee shall be independent non-executive directors, one of whom will be appointed Committee Chair. • The Shareholder Director, who can nominate a representative to attend on his behalf.
Attendance	<p>The Chief Executive may be invited to attend all or any part of a meeting. The Chief Finance Officer (or their representative – covering HR portfolio) will attend the meeting in an advisory capacity and as Secretary. This advice will cover:</p> <ul style="list-style-type: none"> • national guidance and policy decisions • legal issues and advice • governance and risk considerations • contractual issues, including severance payments • trends in pay and conditions of service • job evaluation and levels in remuneration offered by similar organisations and the local pay market retention of key skills. <p>Other individuals and external advisors may be invited to attend for all or part of any meeting as and when appropriate, with the prior agreement of the Committee Chair.</p>
Quorum	<p>A meeting quorum will be three members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any authorities, powers and discretions vested in or exercisable by the Committee.</p> <p>Urgent decisions may be exercised by the Committee on a virtual basis, subject to ratification by the Committee at the next formal meeting.</p> <p>Members of the Committee are able to attend a meeting without being in the same place, however they should communicate with each other during the meeting. The Chair must confirm who is present on the call/video conference and all participating members should be formally recorded.</p>

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Frequency of meetings	<p>The Committee will formally meet as frequently as it may determine to be necessary to discharge its duties. This includes meeting prior to an appointment to the Board being recommended.</p> <p>Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members and all members must be invited.</p>
Duties	<p>The duties of the Committee will be driven by the priorities of the Company, as identified by the Board, and the associated risks. It will operate to a programme of business, which will be flexible to new and emerging priorities and risks.</p> <p>The Committee will undertake the following duties in relation to nominations:-</p> <ul style="list-style-type: none"> • The Committee will keep the Board’s skill and experience base under continued review, oversees searches and selection processes for new directors and recommend new appointments to the Board. In addition, the Committee oversees executive succession planning to ensure continuity of senior management at and below Board level. • To evaluate and keep under review the size, structure and composition of the Board and make recommendations to the Board on any proposed changes, taking into account the challenges and opportunities facing the Company and the skills, knowledge and experience required. • To consider and prepare, for agreement with the Board, a description of the role and competencies required for a particular appointment (executive and non-executive). • To identify and recommend to the Board, against the agreed specification, candidates for Board appointments and terms thereof. • To review management development and succession planning for top management and executive Board members. • To review and make recommendations to the Board on the reappointment of non-executive directors at the expiry of their term of office. • To appoint and take advice from independent search consultants and other professional advisers when appropriate. • To approve the description of the Committee’s activities and the process that it has followed in relation to Board appointments for inclusion in the annual report each year. • To ensure the appointments to be made to the Board comply with the Articles of the Company and have the appropriate level of shareholder approval. • Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee. • To make recommendations to the Board regarding the membership of the Audit, Risk and Health and Safety; Economic and People, and Innovative Delivery Committees in consultation with the Chairs of those Committees. • To ensure that on appointment, all executive directors receive a formal service contract setting out clearly what is expected of them. • To ensure that on appointment, all non-executive directors receive

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formal written terms of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.

- To review annually the time needed to fulfil the role of Chair and each non-executive director (taking into account committee memberships) and, with reference to the annual performance evaluation, to review whether all members of the Board have devoted sufficient time to their duties.
- To make recommendations to the Board regarding (i) the procedures in place for the authorisation of conflict matters falling within section 175 of the Companies Act 2006 ("the 2006 Act"), (ii) the authorisation of any conflict matter arising for any director of the Company, and (iii) the terms and conditions which should attach to such authorisation.
- To ensure that it is in a position to justify all of its actions and proposed courses of action.
- In exercising its powers, to take into account the duties of directors under the common law and under Chapter 2 of Part 10 of the 2006 Act including, in particular, section 172 of the 2006 Act, which requires a director to act in a way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:
 - the likely consequences of any decision in the long term,
 - the interests of the Company's employees,
 - the need to foster the Company's business relationships with suppliers, customers and others,
 - the impact of the Company's operations on the community and the environment,
 - the desirability of the Company maintaining a reputation for high standards of business conduct, and
 - the need to act fairly as between members of the Company;
- To make recommendations to the Board regarding the Board's policy on boardroom diversity.
- To review, and make recommendations to the Board on, the implementation of the Board's policy on boardroom diversity and to report to the Board on progress made in achieving any objectives set out in the policy.
- In making all decisions, the Committee will ensure that fairness, equity, consistency and best practice are applied.

The Committee will undertake the following duties in relation to remuneration:-

- Approve the design of and determine targets for any performance related pay schemes operated by the company and the total annual payments made under such schemes.
- The Committee also oversees appropriate contractual arrangements on termination and any payments are fair to the individual and the company. The Committee will ensure that the payment is appropriate and is in line with Delegated Financial Limits and required LGA permissions, including HM Treasury approval, legal and audit opinion.
- Review the ongoing appropriateness and relevance of the

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	<p>remuneration policy and benefits structure.</p> <ul style="list-style-type: none"> • Determine and agree the policy with the shareholder for, and scope of, pension arrangements for each executive director and other senior executives. • Review and note annually the remuneration trends across the company. • Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee. • In making all decisions, the Committee will ensure that fairness, equity, consistency and best practice are applied. <p>The Committee shall provide such information for inclusion in the Company's Annual Report and Accounts as required.</p>
Reporting	<p>The minutes of each meeting will be submitted to the Board and supplemented by a short written report, which shall include any matters in respect of which actions or improvements are needed and be presented by the Committee Chair.</p> <p>The Chair of this Committee and the Audit, Risk and Health and Safety Committee Chair will maintain regular communications to share knowledge of identified risks and assurances.</p>
Administrative Arrangements	<p>The Committee Chair and the Chief Finance Officer (covering HR portfolio) will set the agenda in line with the Committee annual work plan.</p> <p>Unless otherwise agreed, details of the meetings and supporting papers, shall be forwarded to each member of the Committee no later than five working days before the meeting.</p> <p>Formal minutes for each meeting, including decisions and actions, will be recorded and retained by the Secretary to the Board (the Company Secretary or their nominated deputy). These may be accessed by Company's auditors with the prior approval of the Committee Chair.</p> <p>The Company Secretariat will be responsible for monitoring adherence to the Terms of Reference.</p>
Review	<p>The Committee will annually review its performance, 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. The Committee will submit to the Board an annual report recording how it has fulfilled its terms of reference during the year.</p> <p>These terms of reference will normally be reviewed annually. The Board will be required to approve and endorse any changes.</p>