

**GOVERNANCE AND REMUNERATION COMMITTEE
TERMS OF REFERENCE**

Membership

1. The Committee shall comprise of the Chair and Vice-Chair of the Parent Board and the Chairs of the Audit and Risk and Homes and Services Committees. Paid staff cannot be members of the Governance and Remuneration Committee.
2. The Vice-Chair of the Parent Board will Chair the Governance and Remuneration Committee. If the role of Vice Chair is vacant, the Chair of the Audit and Risk Committee will act as Chair of the Governance and Remuneration Committee.
3. Only members of the Committee have the right to attend committee meetings. However, other individuals such as the Chief Executive, other executive officers/internal advisors shall attend to support and serve the committee and external advisors may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

Secretary

4. The Company Secretary, or his or her nominee, shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner, to enable full and proper consideration to be given to the issues.

Quorum

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

Meetings

6. The Committee shall meet at least twice a year and otherwise as required. Meetings may be in any format or use any mode or media.
7. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.
8. 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, and 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 to other attendees, as appropriate, at the same time.

9. The Secretary will ensure that meetings are minuted and these minutes are circulated to the next appropriate Parent Board meeting.

Responsibilities of the Committee - Governance

10. The Committee shall carry out the following responsibilities identifying any common themes/key issues and escalating any matters of concern to the Board for consideration:
 - a. Oversee the annual review of Board effectiveness and the annual Board appraisal process.
 - b. Review the annual self-assessments of compliance with the Regulator's economic standards and CGA's chosen Code of Governance.
 - c. Undertake an annual review of the Association's Rules, Standing Orders and Financial Regulations recommending any proposed changes to the Board for consideration.
 - d. Regularly consider the Governance Action Plan prior to consideration by the parent Board.
11. The Committee shall support the Board in maintaining effective board succession planning arrangements by carrying out the following responsibilities:
 - Be responsible for identifying and appointing relevant candidates to serve on the Parent and Subsidiary Boards (with the exception of the PVC Board who shall be responsible for overseeing its own appointments), ensuring no legal restrictions prevent such appointments.
 - Identify the role and capabilities required for particular appointments, taking into account the balance of skills, knowledge, experience and any skill gaps on the relevant Board.
 - In identifying relevant candidates, carry out interviews/assessments, ensuring criteria is set to achieve board skill requirements; governance and statutory duties; ability to conform to Board expectations; any previous or current conduct which might bring the Association into disrepute; any other criteria deemed reasonable.

- Review structure, size, composition of Boards and committees, making recommendations in regard to the same.
- Review the Board succession plans and exit strategy every three years or as and when required.

Responsibilities of the Committee – Remuneration

12. The Committee shall carry out the responsibilities detailed below:

- Have responsibility for advising on, and recommending to the Parent Board, the Remuneration Strategy for Non-Executive Directors and Co-optees serving on the Parent Board. In fulfilling this responsibility, the Committee will take into consideration the following matters (please note this list is not exhaustive):
 - aligned with the organisation’s social purpose and wider reputation.
 - proportionate to the organisation’s size, complexity, level of risk and resources; and
 - linked to the role’s responsibilities, against which performance is reviewed.
 - Regularly reviewed, drawing on external advice as necessary.
- Agree annual performance objectives for the Chief Executive and annually appraise the delivery of these objectives and the overall performance of the Chief Executive.
- Regularly, and at least every three years, review the Chief Executive’s Contract of Employment.
- Receive an annual update on the performance of Executive Directors from the Chief Executive.
- Have responsibility for advising on, and recommending to the Parent Board, the Remuneration Policy for all Executive Directors, including any ancillary rights and any compensation payments. No director or senior manager shall be involved in any decisions as to their own remuneration.
- In determining such policy, take into account all factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the National Housing Federation’s Code and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality

required to run the Association successfully without paying more than is necessary. The Remuneration Policy should have regard to the risk appetite of the Parent Board and alignment to the Association's long-term strategic goals.

- Except for the Chief Executive's remuneration, and 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 Executive Director and other designated senior executives including, bonuses, incentive payments and any other award schemes.
- Obtain reliable, up-to-date information about Board and Executive remuneration in other companies 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 company, but within any budgetary restraints imposed by the Parent Board.
- Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- Consider the annual pay award for all staff, and associated changes to staff terms and conditions (including pensions), taking account of the business plan, benchmark and market information and recommend its approval to the Parent Board.
- Ensure that the contractual terms on termination, and any payments made, are fair to the individual, and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- Oversee any major changes in employee benefit structures throughout the Association.

Responsibilities – Confidential Concerns

- Ensure that appropriate Whistleblowing policies and procedures are in place and regularly receive an account of matters raised under these policies and action taken in response.

Reporting responsibilities

13. The Committee Chair shall report to the Parent Board, on its proceedings after each meeting, on all matters within its duties and responsibilities.

14. The Committee shall make whatever recommendations to the Parent Board it deems appropriate on any area within its remit where action or improvement is needed.
15. The Committee shall ensure the Group complies with all legislative and regulatory requirements in terms of its activities and any disclosure requirements.

Authority

16. The Committee shall arrange for periodic reviews of its own performance and regularly review its constitution and terms of reference to ensure it is operating at maximum effectiveness, recommending any changes it considers necessary to the Parent Board for approval.