

Terms of Reference



Appraisal & Remuneration Committee	
1. APPROVING BODY	Corporation Board
2. DATE APPROVED	September 2024
3. PURPOSE	The purpose of the Appraisal & Remuneration Committee is to determine and monitor on behalf of the Corporation, the remuneration and performance of senior post-holders and the Director of Governance within the framework approved by the Corporation.
4. RESPONSIBILITIES	<p>The Appraisal & Remuneration Committee shall have the following responsibilities:</p> <p>Performance</p> <p>4.1 Receive and review the annual performance objectives for senior post-holders, ensuring they are clear, transparent and measurable.</p> <p>4.2 Monitor performance against the objectives for senior post-holders.</p> <p>Remuneration</p> <p>4.3 Determine the remuneration framework for senior post-holders (including the CEO), including pension rights, any compensation payments and all other benefits and contractual terms included within the offer of employment. Senior post-holders shall not be involved in any decisions as to their own remuneration.</p> <p>4.4 Receive and review information about remuneration in other organisations of comparable scale and complexity (e.g. AoC Senior Pay Survey and related benchmarking data).</p> <p>4.5 Determine the policy for, and scope of, pension arrangements for each senior post-holder.</p> <p>4.6 Consider senior post-holders succession planning and where appropriate any retention packages (monetary and non-monetary).</p> <p>4.7 Advise the Corporation on any compensation which may be payable in the event of the early termination of the employment of any senior post-holder (in line with Managing Public Money) in order to:</p> <ul style="list-style-type: none"> • avoid the rewarding of poor performance • deal fairly with cases where termination is not due to poor performance • ensure compliance with contractual requirements and • ensure compliance with managing public money and statutory requirements.
5. AUTHORITY	<p>The Committee shall have the authority to:</p> <p>5.1 Approve and monitor the level and structure of remuneration for senior post-holders.</p> <p>5.2 Appoint remuneration / HR consultants and commission or purchase any reports or information which it deems necessary at the expense</p>

	<p>of NCG but within any budgetary restraints imposed by the Board, to help it fulfil its responsibilities.</p> <p>5.3 Approve the approach and targets for any performance-related pay schemes operated by NCG and approve the total annual payments made under such schemes.</p> <p>5.4 Approve any remuneration / bonus payments for senior post-holders based on the delivery of associated performance objectives, including where appropriate, any retention packages (monetary and non-monetary).</p> <p>5.5 Review risks within its remit and escalate where necessary;</p> <p>5.6 Invite other individuals with relevant skills, experience or expertise to attend meetings as necessary;</p> <p>5.7 Other authorities as may from time to time be delegated to it by the Corporation Board.</p>
6. REPORTING	The Committee will report to the Corporation Board on its proceedings after each meeting on all matters within its responsibilities.
7. CHAIRPERSON	The Committee shall be chaired by an independent member of the Corporation Board. The Corporation Board Chair may be a member of the Committee but shall not Chair.
8. MEMBERSHIP	<p>The Appraisal & Remuneration Committee shall comprise at least four members, all of whom shall be independent members of the Corporation Board.</p> <p>Committee membership shall be reviewed annually by the Search, Nominations & Governance Committee to ensure that it continues to reflect best practice and the requirements of governance within the Group.</p>
9. IN ATTENDANCE	<p>The following individuals shall be in attendance:</p> <p>9.1 Chief Executive Officer</p> <p>9.2 Director of People & Development</p> <p>9.3 Director of Governance</p>
10. QUORUM AND ATTENDANCE	<p>10.1 A quorum shall be three.</p> <p>10.2 If the number of members present for a meeting of the Committee does not constitute a quorum, the meeting shall not be held. If during a meeting there ceases to be a quorum, the meeting may continue, however no decisions are to be taken.</p> <p>10.3 Prior notice of absence must be provided to the Chair and the Clerk no less than 24 hours in advance of the meeting.</p>
11. VOTING	<p>11.1 Decisions of the Search, Nominations & Governance Committee shall be reached by consensus;</p> <p>11.2 Any action required or permitted to be taken by the Group/Committee may be taken without a meeting if (i)</p> <p>11.2.1 the Chairperson calls for such action to be taken by written consent, which includes email and;</p> <p>11.2.2 the written consents are filed with the records of the meetings of the Group/Committee.</p>

12. MEETING ARRANGEMENTS	<p>The following arrangements shall be observed for meetings of the Appraisal & Remuneration Committee:</p> <p>12.1 The Committee shall meet at least twice per year;</p> <p>12.2 Additional meetings shall be held at the call of the Chair, or at the request of one-third of the Group/Committee's members;</p> <p>12.3 Written notice of the date, time and place of the meeting shall be provided to each member at least five working days in advance.</p> <p>12.4 Meetings shall include an agenda and matters not specified on the agenda may be taken up at the meeting at the discretion of the Chair.</p> <p>12.5 The agenda together with the relevant reports and documents will be forwarded to members at least five working days in advance to enable preparation prior to meetings.</p> <p>12.6 The Director of Governance shall keep minutes of all meetings which will include the following:</p> <ul style="list-style-type: none"> • Persons in attendance • Date and duration of meeting • Expressions of conflicts of interest • Identification of topics discussed • Recommendations and decisions made and any actions taken <p>12.7 Minutes of the meeting shall be reviewed by the Chair and submitted to members for approval at the next meeting, or where urgency exists, by email vote. Draft Chair-approved minutes shall be submitted to the independent members of the Corporation. Once approved, minutes shall be circulated to all members for their records and retained by the Governance team within the meeting records.</p> <p>12.8 Meetings will not be recorded.</p>
13. CONFIDENTIALITY	<p>Members are encouraged to communicate key decisions and issues for the purpose of delivery of the objectives of Appraisal & Remuneration Committee, however members are expected to hold confidential deliberations in the strictest of confidence, and when in doubt should consult with the Chair.</p>
14. CONFLICT OF INTEREST	<p>The Director of Governance shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. Where it is deemed by the Chairperson that a conflict exists, the member will be excused from deliberations and must abstain from voting on any resolution in which he/she and/or his/her associates have a material interest.</p>
15. TERMS OF REFERENCE	<p>The Committee shall review its Terms of Reference annually to ensure it is operating at optimum effectiveness and recommend any changes it considers necessary to the Corporation.</p>
16. NCG VALUES	<p>Members have a collective and individual responsibility to conduct themselves in a manner which reflects the NCG values.</p>
17. REVIEW OF PERFORMANCE	<p>The Appraisal & Remuneration Committee shall review its performance annually.</p>