



# Remuneration and Nominations Committee

## Terms of Reference

September 2025

### Purpose

The Committee ensures that governance, leadership and reward arrangements are effective, transparent, and aligned to LHP’s purpose and values.

Specifically, the Committee:

- Ensures the Board has the **right skills, diversity and succession planning** to remain effective and compliant with the NHF Code of Governance.
- Oversees **Executive and Non-Executive Director remuneration**, ensuring it is fair, proportionate, and benchmarked, with transparent reporting to stakeholders whilst enabling LHP to attract, retain and motivate colleagues.
- Provides **assurance** on the wider colleague remuneration framework, confirming alignment with LHP’s values, fairness, and equality.
- Embeds **fairness, integrity and inclusion** in all recruitment, appointment and reward decisions, supporting colleague engagement and positive culture.

### Membership and Meeting Arrangements

<b>Membership</b>	<p>Between three and five members, including up to two places for independent members.</p> <p>The Chair of the Board cannot be the Chair of this Committee but is able to be a member.</p> <p>Colleagues are not permitted to be members of this Committee.</p>	<b>Meetings</b>	<p>Meet at least three times a year with the scope for additional ad hoc meetings should a significant need arise.</p> <p>Ensure no member of ELT is involved in any decisions as to their remuneration outcome.</p>
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<b>Quorum</b>	Three members, at least two of which must be Non-Executive Directors.	<b>Lead Officer/s</b>	Director of People and Change and Executive Director of Governance and Regulation
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**Duties**

<b>Nominations</b>	<b>Remuneration</b>
<ul style="list-style-type: none"> <li>• Approve the Non-Executive Director (NED) recruitment, succession, induction and development processes, receiving appropriate progress updates</li> <li>• Review succession planning for NED’s [annually] and Executive Leadership Team (ELT) – including any ELT structure changes*</li> <li>• Oversight of Board skills, diversity and behaviour frameworks, making recommendations*</li> <li>• Approve processes for annual NED appraisals and receive assurance on outcomes</li> <li>• Oversee process for annual appraisal of the CEO and receive performance review and objective setting for ELT (led by Chair)</li> <li>• Review any significant wider workforce restructuring proposals from Chair or CEO and provide assurance and recommendations*</li> </ul>	<ul style="list-style-type: none"> <li>• Review and recommend CEO and ELT pay framework (salary, benefits, severance) – at least every three years and determine any annual ELT pay award*</li> <li>• Review and recommend NED and Committee remuneration – at least every three years*</li> <li>• Seek assurance on fairness and transparency of wider workforce remuneration frameworks and review benchmarking at least every three years</li> <li>• Ensure the CEO’s contract is reviewed at least every three years</li> <li>• Review [annually] anonymised report on all colleague settlement agreements, providing assurance on fairness, consistency and reputational risk*</li> <li>• Review any significant changes to pension arrangements*</li> </ul>
<b>Compliance and Assurance</b>	<b>Governance and Culture</b>
<ul style="list-style-type: none"> <li>• Ensure compliance with NHF Code of Governance, RSH regulatory standards, legislation and internal policies</li> <li>• Commission external benchmarking and advice as needed</li> <li>• Undertake a self-assessment of Committee effectiveness [annually]</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure appointments and remuneration reflect LHP’s purpose, values and support long term sustainable success</li> <li>• Embed equality, diversity and inclusion in recruitment and reward decisions</li> <li>• Support a culture of fairness, transparency, and integrity across leadership</li> </ul>

\*matters reserved by the Board



<ul style="list-style-type: none"><li>• Reflect on emerging best practice and horizon scanning for regulatory and sector changes in relation to its purpose</li><li>• Hear cases referred to the Committee under the Member Conduct, Performance and Grievance Policy</li><li>• Consider risks relevant to its purpose, recommending any changes in risk levels or identifying areas for further assurance or mitigation – escalating to Board where appropriate</li><li>• At the request of the Board, review any other areas within its remit</li></ul>	<ul style="list-style-type: none"><li>• Seek assurance that reward structures align with LHP’s reputation and stakeholder expectations</li><li>• Review, recommend and approve policies in line with delegations</li><li>• Ensure alignment with consumer standards expectations and customer insight for all decisions and proposals within its remit</li><li>• Ensure Board Members present on appointment panels for NEDs and ELT</li></ul>
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