



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

Membership	<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>	Meetings	<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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Quorum	Three members, at least two of which must be Non-Executive Directors.	Lead Officer/s	Director of People and Change and Executive Director of Governance and Regulation
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Duties

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



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