



R&R Delivery Authority Ltd (the 'Company')

Nominations & Remuneration Committee – Terms of Reference

1 CONSTITUTION

- 1.1 The Nominations & Remuneration Committee ('the Committee') shall be constituted as a standing Committee of the Company's Board ('the Board') on the terms as set out below.
- 1.2 Meetings shall take place at least four times a year to consider matters within the remit of the Committee.

2 MEMBERS

- 2.1 The Committee shall have at least three members, a majority of whom shall be Non-Executive Directors of the Company.
- 2.2 Membership of the Committee, including the Committee Chair (who shall be a Non-Executive Director), shall be agreed by the Chair of the Company's Board in consultation with the Senior Independent Director. A list of current members is annexed to these terms of reference. This Annex may be updated from time to time without the need to amend these Terms of Reference.

3 ATTENDANCE (NON-VOTING)

- 3.1 The Human Resources Director or their nominee and the General Counsel or their nominee shall attend the Committee.
- 3.2 Other Non-Executive and Executive Directors may attend the meeting at the invitation of the Committee Chair. These Directors attend in an observer capacity and do not have voting rights.
- 3.3 A representative from the secretariat of the Company shall attend meetings of the Committee.

4 TERM

- 4.1 A member's appointment to the Committee shall run concurrently with their term of office as director of the Company. Any appointment as a member of the Committee shall automatically cease when they cease to be a director of the Company.

5 QUORUM AND VOTING

- 5.1 The quorum shall be two members, including the Committee Chair. Only members of the Committee shall count for the quorum and the Committee has no authority to make decisions at a meeting unless a quorum is present.
- 5.2 The Committee Chair may nominate a deputy to act in their capacity. The deputy will have the same authority as the Committee Chair in such circumstances. In the absence of the Committee Chair, the remaining non-executive members shall elect one of themselves to chair the meeting.
- 5.3 Decisions at Committee meetings shall be made by a majority vote, and each Committee member shall be entitled to one vote. In the event of equality of votes at a meeting, the Committee Chair shall have a casting vote.



- 5.4 No member shall be counted towards the quorum or be involved in any decisions as to their own remuneration save where the decision relates to the general level of remuneration of the Board. Should there be an item relating specifically to an individual member's remuneration, that member shall be excluded from any discussion and decision making.

6 INTERESTS

- 6.1 If a Committee member has a pecuniary, personal or family interest, whether that interest is actual, perceived or potential and whether that interest is direct or indirect, in any proposed contract or other matter which is under consideration or is to be considered by the Committee, the member shall disclose that interest as soon as he/she becomes aware of it. The member shall then be excluded from any discussion or consideration of the matter in respect of which he/she has disclosed an interest.

7 PURPOSE, REMIT and AUTHORITY

7.1 Purpose

The principle purpose of the Committee is to set remuneration policies and practices, lead a robust process for nominations and appointments and provide oversight of performance measures.

7.2 Authority delegated from the Board

A quorate meeting of the Committee has delegated authority from the Board to decide all matters within its remit as follows:

- **Nominations:**
 - Establishing formal and transparent procedures for nominations and appointments (including where appropriate re-appointments) and managing the process of nominations and appointments for non-executive directors (other than the Company Chair) and the Chief Executive.
- **Board Remuneration:**
 - Have responsibility for approving the remuneration of Company Board members.
 - Monitoring the appropriateness and application of Company Board members' pay structures.
- **Executive Remuneration:**
 - Have responsibility for approving the remuneration of Executive Directors (and, where applicable, approving the remuneration of senior executive members outside of pay band structures which have been previously agreed by the Board).
 - Monitoring the appropriateness and application of Executive Directors' pay structures.
- **Performance related pay and discretionary bonuses:**
 - Approve the design of and implementation of any arrangements for incentives, performance related pay and discretionary bonus in addition to the agreed base pay.
 - Oversight of performance related pay and discretionary bonuses; these are to be informed by performance against individual performance objectives and, where appropriate, the Company's performance assessment framework, which comprises



the Company's annual objectives and supporting measures to assess achievement against these.

- Approving the performance related pay of any exec member or other employee reporting directly to the CEO.
- **Pensions:** Determine the policy for, and scope of, pension arrangements and undertake periodic reviews of pension arrangements for the Delivery Authority including governance arrangements of the chosen scheme.
- **Organisation capability:**
 - Understand, review, and monitor the implementation of the Delivery Authority's strategy as it pertains to the selection, evaluation, and retention of staff, including the Executive Directors. This shall include the Delivery Authority's strategy for the engagement (cost and duration) of agency staff and independent contractors.
 - Provide assurance to the Board on matters pertaining to the Delivery Authority's strategy (including remuneration) as it pertains to selection, succession planning, evaluation, retention and development of the Executive Directors.
- **Other Benefits:** Determine the policy for and scope of the employee benefits package for the Delivery Authority.
- **Special Payments:** Approving the making of special payments by the Delivery Authority relating to or arising from (or from the loss of) employment or the holding of an office.
- **Disclosure:** Preparation and approval of the disclosure of remuneration in relation to the Delivery Authority accounts.
- **Policies:** Approval of policies within the remit of this Committee, except where the Board specifically requests otherwise.

7.3 Advisory Authority

Matters Relating to the Board

The Committee may advise on, assist, make recommendations to and report to, as the context requires, the Board in any such circumstance that the Committee considers it appropriate and in order to facilitate the Board's consideration of:

- Succession planning, evaluation, retention and development of Board members.
- Outside directorships and commitments of the non-executive Board members and the time commitment required from them.
- Membership of other Board Committees, where the Company Chair so requests.
- The terms of contracts for service and employment contracts for Board Directors and of any proposed arrangements regarding termination of contracts including potential settlement agreements pertaining to Board Directors.

Other Matters

The Committee shall advise on, assist, make recommendations to the Chief Executive on:

- The proposed approach for the annual pay review and award.
- Any other matters requested by the Chief Executive that relate to performance and resourcing.



- 8** The Committee is authorised to instruct the procurement of reports, evidence and advice from third parties on any matter pertaining to its remit under this terms of reference. This includes taking market soundings regarding remuneration.

9 ADMINISTRATION

9.1 Meetings

Meetings of the Committee shall be called by the Company on behalf of the Committee Chair, by notice served on the members of the Committee.

The notice of each Committee meeting, with the agenda and any supporting papers, shall normally be circulated no later than 5 working days before the meeting.

Late papers may be circulated prior to or tabled at a Committee meeting, subject to the prior approval of the Committee Chair.

Committee meetings may be held in person or by suitable electronic means as agreed by the Committee Chair and the members.

Where necessary, the business of the Committee may be conducted by correspondence.

9.2 Minutes

The Company shall minute the proceedings of the Committee meetings, which shall be circulated to the members of the Committee.

9.3 Reporting

After each Committee meeting the Committee Chair shall provide an oral update to the Board at its next meeting. Owing to the sensitive nature of the discussions of the Committee, minutes of meetings will not normally be distributed beyond the Committee members.

9.4 Equality and Inclusion

In carrying out its functions, the Committee shall give due regard to the principle of equal opportunity for all people, taking proper consideration of relevant policies of the Company.

9.5 Effectiveness Review

The Committee members shall contribute to the annual review of governance effectiveness, which shall be reported to the Board.



(Approved by the Board on 24/06/2023)

Annex to Nominations & Remuneration Committee Terms of Reference

The membership and standing attendance (non-voting) of the Committee shall be as follows:

Members

Name	Position
Anne Baldock	Committee Chair
Mike Brown CBE MVO	Delivery Authority Company Chair
Dr Stephen Duckworth OBE	Non-Executive Director
David Goldstone CBE	Chief Executive

Standing Attendees (non-voting)

Name	Position
Janet Campbell	Human Resources Director
Jane Mee	General Counsel