

Remuneration & Nomination Committee

Terms of Reference



1. Purpose

- 1.1 The Remuneration and Nomination Committee (“Committee“) is a sub-committee of the Group Board. The purpose of the Committee is to assist the Board in ensuring that the Board retains an appropriate structure, size and balance of skills to support the strategic objectives and values of Heylo Housing Group Limited and its subsidiaries. The Committee assists the Board in meeting its responsibilities regarding the determination, implementation and oversight of remuneration arrangements to enable the recruitment, motivation and retention of Directors and other senior executives generally. The Committee is responsible to the Board for determining and approving (within any limits and budgets set by the Board from time to time) the salary and other terms and conditions of employment of all members of the Board and any corporate member of the Group as may be delegated to it by that corporate member, and of the Corporate Management Team to enable the recruitment, motivation and retention of Board members, and Directors and ensure effective Board succession planning.
- 1.2 The Committee also assists the Heylo Housing Group Limited Board (“Group Board“) and Heylo Housing Registered Provider (“HHRP“) by reviewing and making recommendations in respect of the remuneration policies and framework for all employees of Heylo Group .
- 1.3 It is also responsible for carrying out recruitment activity for new Board Members of any Group member acting under the direction of the relevant Board.
- 1.4 The Committee is also expected to ensure that any decisions made are consistent with the law, with the relevant provisions of the Governance Code adopted by the relevant Group entity, and (in relation to matters affecting Heylo Housing RP) with the requirements of the Regulator of Social Housing.
- 1.5 The Committee is responsible for ensuring there is an applicable shareholding policy in place across the Group as may be required, applicable to executive directors, and for ensuring that this policy supports alignment with long-term shareholder interests, keeping such policy under review and recommending the same to the relevant Board as may be required.

2. Functions

2.1 The functions of the Remuneration and Nomination Committee are as follows:

Remuneration

- Evaluate at least annually how payment levels for Board members, the Chair, vice Chair, SID and Committee Chairs across the Group compare to market norms, having regard to their responsibilities, workload and other relevant considerations.
- In the light of its evaluation of Board member payment levels, decide on payment levels for Board Members, Chair, vice Chair, Senior Independent Director, and Committee Chairs across the Group, each year, having regard to their responsibilities, workload and other relevant considerations.
- Approve an overall remuneration policy for the Group to include Non-Executive Directors, Executives (if any) and senior staff (if any). This policy will ensure that executive remuneration arrangements are simple, clear, predictable, proportionate and aligned to culture.
- Review and make recommendations, where appropriate, in respect of remuneration and benefits arrangements and frameworks for all employees to ensure they support the strategic objectives, culture and values of the Heylo Group.

Nominations

- Using external advisers as required, oversee and support a formal, rigorous and transparent approach to selecting, interviewing and recruiting new Board members across the Group, in line with the Group's Recruitment, Tenure and Succession Policy. This shall include developing the Job Description and Person Specification for each vacancy which shall arise, where to advertise, and whether to engage a specialist recruitment agency who should be on the recruitment panel and the delegations to effect that recruitment as appropriate, reviewing the nominations for appointment from such recruitment activities and recommending the same to the respective Board for appointment unless otherwise delegated.
- Review the overarching Board Member skills and competencies framework for the Group and the balance of skills, experience and knowledge required on each Board and Committee, in line with Heylo's Corporate Plan and strategic objectives, taking into account strategic priorities, trends and factors affecting the long-term success and future viability of the company and make appropriate recommendations to the relevant Board for any recruitment required to address any identified gaps.
- Review the size, structure and target composition of the various Boards and Committees in the Group including knowledge, skills, experience, competencies and diversity, and make recommendations to the relevant Board with regard to any changes considered to be required.

- Review and approve suitable Executive succession plans so as to ensure, so far as possible, a planned approach to Executive succession across the Heylo Group, taking into account the company's strategic priorities, its diversity requirements, and the main trends and factors affecting the long-term success and future viability of the company.
- In carrying out all such recruitment activity, the Committee will make a final report to the relevant Board recommending who should fill the vacancy, and the final decision on whether to appoint the new Board Member will be a matter for decision by the recruiting Board.
- If so delegated, the Committee shall ensure that Heylo Housing RP shall control the hiring and remuneration package, and (where necessary) the dismissal of the RP's Managing Director.

Appraisal

- Oversee the scope and implementation of the annual board/committee effectiveness review and annual individual board and committee member appraisals across the Group, having regard to the requirements for such reviews contained in section 113 of the UK Corporate Governance Code. Ensure that the relevant Board receives a report on review/appraisal outcomes, together with any actions the Committee is recommending should be taken to address any matters requiring improvement.
- Consider the broad outcomes of the relevant board and committee member appraisals, and board/committee effectiveness reviews and ensure a full report is provided to the relevant board within the Group on outcomes, together with any actions the Committee is recommending should be taken to address any matters requiring improvement.
- At least every three years, commission an external adviser to support the board effectiveness review.
- As may be delegated, develop for approval by the relevant Board within the Group, an annual Board learning and development plan, reflecting among other things the outcomes from the board and committee member appraisal process.

People Strategy

- Evaluate the adequacy and effectiveness of any Heylo People Strategy in supporting the organisation's goals and review the action plan aimed at the recruitment, retention, engagement and development of exceptional teams, recommending any changes to Group Board.
- Track the delivery of the People strategy objectives and report progress to all Boards within the Group as may be required.

3. Membership

- 3.1 The members of the Committee will be appointed by the Group Board from amongst its own membership as well Heylo Housing Registered Provider.
- 3.2 The Committee will comprise at least three Non-Executive members, one of which shall have relevant governance experience and one of which shall be the Senior Independent Director.
- 3.3 The Group Board will appoint the Chair of the Committee which may not be the Chair of any respective Board and will have at least 12 months prior experience of being on a remuneration committee. No Executives will serve as a Committee member. In the case of co-opted members, appointments shall be made by the Board on recommendation of the Chair of the Committee.
- 3.4 Members can be co-opted onto the Remuneration and Nominations Committee (as determined by the Remuneration and Nominations Chair) as the need arises to help fulfil the duties and obligations of the Remuneration and Nominations Committee
- 3.5 There will be representation of at least 1 HHRP Director at all committee meetings. The HHRP Director representative will have the right to request that certain relevant items be considered and actions taken to ensure the interests of the HHRP are properly met and integrated into the work of this Committee, having regard to its responsibilities under the RSH Regulatory Standards as well as being a full voting member.
- 3.6 Members may be removed from the Committee at any time by the Group Board.

4. Conduct of Business

- 4.1 The Committee will meet either in person or by conference call or Teams/Zoom where all members can see and hear all other members. For all meetings, papers will be circulated before-hand and all decisions will be appropriately minuted.
- 4.2 The Committee shall meet at least twice a year and otherwise as required to transact necessary business.
- 4.3 A report on the proceedings and on any decisions of the Committee and matters for decision by the Board, and the reasons for them, will be provided to the next full Group Board meeting. Such reports will be treated as confidential.

5. Quorum

5.1 The quorum for the Committee will be two with one being the HHRP member.

6. Disclosure of Payments to Board Members

6.1 Payment to each Board Member will be fully disclosed on a named basis in each year's Annual Accounts.

7. Review of Performance and of Terms of Reference

7.1 The Committee shall periodically review its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Group board for approval.

8. Resources and Training

The Committee shall:

- 8.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required and is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.
- 8.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members



heylo and heylo housing are trading names of heylo housing group limited (registered in England and Wales with company number 11104403) and its subsidiary companies.

The Registered Office of each of the group companies is 6 Wellington Place, 4th Floor (Ref: CSU), Leeds, LS1 4AP

