

## **Governance and Remuneration Committee**

### **Terms of Reference**

1. Functions - the Governance and Remuneration Committee is tasked with reviewing and making recommendations on matters concerning remuneration of non-executive members and executive staff of Ongo Group, recommending a process for and overseeing the appraisal of the Chief Executive, overseeing the human resources strategy and reviewing governance policy and practice.
2. Ensuring that there is an independent review of payment of non-executive members and executive team taking into account good practice, market comparisons and industry norms on at least a triennial basis.
3. To update and recommend the Ongo Group policies for board and committee remuneration on an annual basis for approval by the Ongo Group Board.
4. To take independent advice and consider independently written reports on matters of remuneration principles. The Committee has responsibility to commission, monitor and evaluate the outcomes of such independent reviews within a budget agreed with the Ongo Group Board.
5. Following the independent review, the Committee will consider appropriate approach to and levels of non-executive remuneration and recommend changes, where appropriate, to the Ongo Group Board for adoption. The Committee will also consider the proposed level of Executive pay and make appropriate recommendations to the Ongo Group Board.
6. To recommend the contractual terms the Executive Team to the Ongo Group Board.
7. To oversee the process for individual appraisal of board members, including the Chair in line with the process adopted by the Ongo Group Board in the Appraisal Policy.
8. To oversee the process for a triennial review of governance effectiveness across the Ongo Group.
9. To report outcomes of the appraisal process to the Ongo Group Board for approval.
10. To recommend a process for the appraisal of the Chief Executive and to oversee this, making appropriate recommendations based on the outcomes to the Ongo Group Board.
11. To take independent expert advice and recommend an approach to severance pay for the Executive Management Team in accordance with the Ongo Group contracts for approval by the Ongo Group Board.
12. To recommend a process for recruitment and succession planning for non-executive vacancies for approval by the Ongo Group Board.
13. To oversee a process for recruitment of non-executive member vacancies and of co-optees in line with the agreed delegations, the succession plan and the recruitment policy approved by the Ongo Group Board. To report outcomes on the appointment process to the Ongo Group Board for approval.
14. To monitor and review the delivery of the [Human Resource Strategy](#) and recommend this to the Board on an annual basis.
15. To lead for the board on ensuring that the organisation maintains the highest standards of governance and learns from best practice from all sectors.

16. To ensure that there are effective working relationships between Board, Employees and the Company Secretary.
17. To scrutinise compliance with the Group's chosen Code of Governance and recommend a statement of compliance to the Ongo Group Board on an annual basis.
18. To review evidence that the regulated entities within the Group are in compliance with any Standards issued by the relevant regulatory body and to recommend a statement of compliance to the Ongo Group Board on an annual basis.
19. To be responsible and accountable to the Common Board for risk management within the Governance and Remuneration areas and escalating issues to the Common Board when necessary, seeking independent advice as relevant.
20. Attendance - employees and others, including external advisors may attend all or part of meetings at the invitation of the Committee Chair.
21. Accountability - the Ongo Group Board will always retain overall responsibility for all of governance and human resources.
22. The Governance and Remuneration Committee is accountable to the Ongo Group Board for the fulfilment of the responsibilities delegated to it as set out in this Terms of Reference.
23. This Committee shall operate as the Governance and Remuneration Committee for Ongo Group and for all Subsidiaries within the Group.
24. All committee members share responsibility for its decisions and should act only in the interests of the Group and not on behalf of any constituency or interest group.
25. The Ongo Group Board will obtain assurance on the committee's work via minutes and regular verbal feedback from the Committee Chair on all of the Governance and Remuneration Committee meetings.
26. The Chair of the Governance and Remuneration Committee will ensure that key issues are promptly brought to the attention of the Ongo Group Board (and subsidiary boards where necessary).
27. The Governance and Remuneration Committee will report formally on its work to the Ongo Group Board on an annual basis.
28. Composition - the Committee shall consist of 3 members, 2 from the Ongo Group Board and one independent member. No member may be an Executive.
29. Ongo Group shall appoint one of these members as the Committee Chair, who shall be a non-executive member of the Ongo Group Board.
30. The Group Chair may not serve as a member or Chair of the Governance and Remuneration Committee.
31. The Group Chair will attend meetings of the Governance and Remuneration Committee when matters are discussed in relation to the appraisal of the Chief Executive.
32. On the recommendation of the Committee and the approval of the Ongo Group Board up to one additional member may be co-opted to provide particular specialist expertise as and when required.

33. The quorum for a Committee meeting shall be 2.

34. The Committee must meet at least 2 times a year. The Committee is able to meet as and if the need arises during the year in order to effectively deliver its responsibilities.

35. Skill requirement - in addition to those set out in the statement of preferred composition, the specific skills requirements for this Committee include:

- Scrutiny and challenge
- Investigative skills
- Analytical skills
- Corporate governance
- HR and organisational development
- Compliance and regulation
- Demonstrating commitment to and understanding of the values and objectives of the Ongo Group.
- Appreciation of executive and non-executive roles and responsibilities.
- Ability to dedicate sufficient time and energy.
- Confidence to give honest opinions and add value to decision-making.
- Inquisitiveness and independent judgement.
- Capacity to keep up to date with the operating environment.
- Understanding the wider social role of Ongo Group across local communities
- Understanding of legislation and key values of equality, diversity and fairness