

Nominations & Governance Committee

Terms of Reference

1. Purpose

- 1.1 The primary purpose of the Nominations & Governance Committee (NGC) is to
- lead the process for appointments, ensure plans are in place for orderly succession to both the board and senior management positions, and oversee the development of a diverse pipeline for succession.
 - Review the Board's governance arrangements and make recommendations to the Board to ensure that the governance arrangements are effective and consistent with best practice.

2. Membership

- 2.1 The NGC shall comprise at least three members, at least half of whom should be independent non-executive directors.
- 2.2 Members shall have appropriate experience, knowledge, skills and expertise and the NGC as a whole shall have competence relevant to the sector in which the Society operates.
- 2.3 Members of the NGC shall be appointed by the board on the recommendation of the Nominations & Governance Committee. Appointments shall be for a period of up to three years, which may be extended for a further three-year period (or, in exceptional circumstances, two such periods), provided the director still meets the criteria for membership of the Committee.
- 2.4 Only members of the NGC have the right to attend Committee meetings. However, the Chief Executive Officer (if not a member), Chief People Officer and other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 2.5 The board shall appoint the NGC chair who should be either the chair of the Board or an independent non-executive director. In the absence of the NGC chair and/or an appointed deputy at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the board.

3. Secretary

- 3.1 The Society secretary, or their nominee, shall act as the secretary of the NGC and will ensure that the NGC receives information and papers in a timely manner to enable full and proper consideration to be given to relevant issues.

4. Duties

The NGC shall:

- 4.1 Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and make recommendations to the board with regard to any changes.
- 4.2 Ensure plans are in place for orderly succession to board and senior management positions, and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Society, and the skills and expertise needed on the board in the future.
- 4.3 Keep under review the leadership needs of the organisation, both executive and non-executive directors, with a view to ensuring the continued ability of the organisation to achieve its business plan.
- 4.4 Be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise.
- 4.5 Review the results of the board performance evaluation process that relate to the composition of the board and succession planning.
- 4.6 Review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.
- 4.7 Work and liaise as necessary with other board committees, ensuring the interaction between committees and with the board is reviewed regularly.
- 4.8 The NGC shall also make recommendations to the board concerning:
 - Membership of the Board committees as appropriate, in consultation with the chair of those committees.
 - The re-appointment of non-executive directors at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of knowledge, skills and experience required.
 - The re-election by members of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the Society's articles of association.
 - Any matters relating to the continuation in office of any director or office holder at any time including the suspension or termination of service of an executive director as an employee of the Society subject to the provisions of the law and their service contract.
 - The appointment of any director to executive or other office.
- 4.9 Determine and lead the process for the annual Board and Committee Effectiveness Review including:
 - setting the criteria for the evaluation of the performance and effectiveness review of the Board, its committees, and each non-executive Director.
 - Engaging external facilitators as required for an independent evaluation of the effectiveness of the Board at least every three years.
 - Agreeing and overseeing progress against action plans addressing the results of the effectiveness reviews particularly in relation to any recommendations regarding succession planning and Board or Committee composition.
 - Ensuring the conclusions and recommendations arising from these reviews and evaluations of the Chair of the Board and Chief Executive Officer are reported to the Board.
- 4.10 To consider and authorise subject to ratification by the Board, any situational or potential conflict in which a Director may have a direct or indirect interest that conflicts or potentially may conflict with the interests of the Society and to receive a report annually of the Society wide conflicts of interest register.

- 4.11 To receive and review, on an annual basis, an assessment of the continued fitness and propriety of Senior Management Function (SMF) holders (including notified non-executive Directors) together with the Responsibilities Map.
- 4.12 To conduct an annual review of the Directors' Register of Interests and, if appropriate, recommend to the Board the authorisation of interests shown in the Register.
- 4.13 To approve in principle any loan to a Director or connect person of a director in accordance with the Society's policy on loans to directors.

5. Decision Making/Quorum

- 5.1 The quorum necessary for the transaction of business shall be 50% of the membership plus one members.
- 5.2 Votes are passed with a simple majority. In the event of a tied vote the Chair has the deciding vote.

6. Frequency of Meetings

- 6.1 The Committee shall meet at least three times a year at appropriate times and otherwise as required.

7. Notice of Meetings

- 7.1 Meetings of the NGC shall be called by the secretary of the Committee at the request of the NGC chair or any of its members if they consider it necessary.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting, together with an agenda of items to be discussed, shall be forwarded to each member of the NGC and any other person required to attend no later than [five] working days before the date of the meeting. Supporting papers shall be sent to NGC members and to other attendees, as appropriate, at the same time.

8. Minutes of Meetings

- 8.1 The secretary shall minute the proceedings and decisions of all NGC meetings, including recording the names of those present and in attendance.
- 8.2 Draft minutes of NGC meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all members of the board unless, exceptionally, it would be inappropriate to do so.

9. Sub Committees

- 9.1 There are no sub-committees of the NGC.

10. Engagement with Members

- 10.1 The chair of the NGC should attend the annual general meeting to answer any member questions on the committee's activities. In addition the NGC chair should seek engagement with members on significant matters related to the committee's areas of responsibility.

11. Escalation

- 11.1 The NGC may escalate any matter to the Board if it considers the matter requires consideration beyond the scope of authority delegated to it.

12. Reporting Responsibilities

- 12.1 The NGC chair shall report formally to the board after each meeting on all matters within its duties and responsibilities.
- 12.2 The NGC shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for board discussion when necessary.
- 12.3 The NGC shall compile a report on its activities to be included in the Society's annual report.
- 12.4 If an external search consultancy has been engaged, it should be identified in the annual report alongside a statement about any other connection it has with the Society or individual directors.

13. Other Matters

The NGC shall:

- 13.1 Have access to sufficient resources in order to carry out its duties, including access to the Society secretariat for advice and assistance as required.
- 13.2 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.
- 13.3 Give due consideration to all relevant laws and regulations as appropriate.
- 13.4 Ensure that a periodic evaluation of the NGC's performance is carried out.
- 13.5 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 board for approval.

14. Authority

The NGC is authorised to:

- 14.1 Obtain, at the Society's expense independent legal or other professional advice on any matter within its terms of reference if it believes it necessary to do so.

15. Effective Date

- 15.1 These Terms are effective from April 2023. The terms may be updated at a subsequent Meeting.

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