

NON-EXECUTIVE DIRECTOR REAPPOINTMENT PROCEDURE (INCLUDING CHAIR REAPPOINTMENT)

A. Introduction

The Representative Body has responsibility for appointing the Chair of the Board of Directors and the Non-Executive Directors. This procedure will set out the respective roles of the Board and Representative Body in recommending and making a reappointment to the Board of Directors.

The Chair and Non-Executive Directors are appointed by the Representative Body following the recommendation of the Nominations Committee and can serve a maximum of two three year terms (6 years in total). The Nominations Committee consists of not more than four Representatives, the Chair of the Board (or the Deputy Chair as appropriate).

To ensure compliance with the NHF Code of Governance, the process for reappointment requires the Representative Body to consider the Non-Executive Director's appraised performance and skills and the wider needs of the Board of Directors, including the Board's skills matrix at the time of reappointment.

In advance of the conclusion of the initial three year term, the Rules state that the Representative Body may approve the Chair's or Non-Executive Directors re-appointment for a further term on the Board, subject to them remaining eligible in accordance with the Rules and the Representative Body being satisfied as to their continued independence both in character and judgement.

B. Non-Executive Director Reappointment Procedure

For a Non-Executive Director to seek reappointment for a further term, the following procedure will be followed in the final year of the first term:

1. The Chair of the Board will discuss reappointment to the Board with the Non-Executive Director and confirm that they will be seeking reappointment. This will be completed annually in March as part of the Appraisal process.
2. If the NeD is not seeking to be reappointed to a second term of office, then the normal recruitment process will be followed.
3. Following confirmation of their intention to seek reappointment, the Secretary will consider their Register of Interest and make any further enquiries they consider necessary to confirm the Non-Executive Directors independence. This will need to be completed annually in March as part of the Appraisal process.
4. If the Non-Executive Director is eligible for re-appointment, the Chair of the Board will assess the suitability of the Non-Executive Director to be reappointed, including reflection on their most recent appraisal and whether they have or are on course to meet their objectives in a satisfactory manner.

The Chair of the Board will only recommend reappointment if the Non-Executive Director is performing at a satisfactory or better standard and he/she has the skills required of the Board over the next term. If the Chair does not recommend reappointment then the appointment process for a Non-Executive Director will commence. This will be completed annually in March as part of the Appraisal process.

5. Where there is a recommendation for reappointment, this will be jointly considered with the other members of the Nominations Committee which will need to be constituted by April. The Chair of the Board will discuss the appraisals and his/her recommendation for ongoing continuity and the re-appointment of the present incumbent with the Nominations Committee. The Nominations Committee will make a recommendation to be considered by the Representative Body.
6. The Governance Team will provide a report for the Representative Body to approve the reappointment of the Non-Executive Director. The report will include the joint recommendation from the Chair of the Board and the Nominations Committee, including a summary of the Non-Executive Director's appraisal which will reflect on their performance over their previous term, their attendance record, and whether the skills they provide to the Board continue to be relevant to the Board and RBH for the forthcoming term. The Secretary will also confirm their independence.
7. The Representative Body will consider the recommendation to approve the appointment in July.

C. Chair Reappointment Procedure

The Chairs Services Contract provides in respect of the re-appointment of the Chair: *'Your appointment as Chair and as a Board Member may be renewed for three years by the Society, provided this is permitted by the rules and the Society's Code of Governance. Your appointment is subject to successful performance reviews of you as the Chair and the performance of the Board as a whole.'*

The process for reappointing the Chair will need to start in September in the final year of the first term and will follow a similar timetable to the Non-Executive Director reappointment. The Governance Manager shall facilitate the process and provide required support to involved parties as required.

For the Chair to seek reappointment for a further term the following procedure will be followed:

- 1) The Chief Executive and Deputy Chair of the Board will discuss reappointment to the Board with the Chair of the Board and confirm whether the Chair of the Board is seeking reappointment. They will discuss suitability to be reappointed including reflection on the most recent appraisal of the Chair of the Board and whether they have met their objectives in a satisfactory manner and remains committed to the role. The Chief Executive will also have due regard to the views of the Chair and Deputy Chair of the Representative Body when considering whether the Chair of the

Board is suitable for reappointment, as well as the outcomes of a collective appraisal of the Board and whether the skills they provide are still relevant to the Board over the next three years.

- 2) If the Chair of the Board is not seeking to be reappointed to a second term of office, then the normal recruitment process will be followed.
- 3) If the Chair of the Board is seeking reappointment, then the Nominations Committee will be established to oversee the process of reappointment following a joint recommendation by the Chief Executive, Vice Chair of the Board and the Chair and Vice Chair of the Representative Body. The Nominations Committee for the purpose of considering the reappointment of the Chair of the Board will comprise of 4 members of the Representative Body and the Deputy Chair of the Board. This Committee will review the Chair Role Profile to ensure that it is still fit for purpose.
- 4) In order to reach an informed decision, the Committee will be provided with the following:
 - a. Confirmation from the Secretary of the independence of the Chair of the Board following consideration of their Register of Interests and any other enquires which may be relevant. This step to be undertaken first to determine eligibility.
 - b. The Chair of the Board's latest appraisal;

This will include consideration of the Chair of the Board's past performance with particular regard to delivery of their objectives. The Deputy Chair, in consultation with the Chief Executive shall by way of a recommendation confirm to the Nominations Committee following a formal appraisal that the performance of the Chair of the Board continues to be effective and continues to demonstrate commitment to the role and RBH. In addition to this, the Deputy Chair of the Board shall also confirm the skills of the Chair of the Board continue to meet the wider need of the Board for the duration of the next term of office.
 - c. The Nominations Committee shall meet with the Chair of the Board to obtain any relevant information that they require and/or to explore any issues they feel to be pertinent to his/her performance to their potential reappointment.
 - d. The Nominations Committee can at RBH's expense seek any professional advice on any matter it believes necessary to exercise its duties effectively. This may be but is not limited to legal, HR or governance advice
- 5) Once the process has concluded, the Nominations Committee shall reach a recommendation to be presented to the Representative Body as to whether or not to reappoint. The recommendation shall set out the process followed, the matters considered and the reasons for their recommendation. The Representative Body shall have due respect for the recommendation of the Nominations Committee and make a decision in the best interests of RBH.

- 6) In the event, the Chair of the Board does not receive approval for a second term of office, the recruitment process for a replacement Chair of the Board will commence shortly after the decision of the Representative Body with a view to have a newly appointed Chair of the Board by August. The incumbent Chair of the Board will retain the position until the end of the Annual Members Meeting that year.

D. Board Chair Pay Review

The Board Expenses and Board Remuneration Policy states that the payment received by the Chair of the Board shall be reviewed at the commencement of each Chair term of office. It goes on to say that the People and Remuneration Committee, and the Board Deputy Chair if they are not a member of the Committee, shall review the level of payment and make a recommendation to the Representative Body for their approval.

In deciding whether to offer an increase in payment, the Committee will consider the performance of the Chair of the Board taking into account any formal appraisal which may have been undertaken, the overall contribution of the Chair of the Board, the overall performance of the Society and will also have due regards to any pay awards received by employees, including the Executive Management Team, during that time. Any pay award recommended will be consistent with the adopted Code of Governance of the Society, which is the NHF Code of Governance 2015 and the NHF Code of Conduct.

The Committee will consider if a pay award is appropriate and if so, will make a recommendation to the Representative Body. If the recommendation is to award an increase in excess of the employee award, then a clear rationale will need to be provided. The final decision of any amendments to the level of pay for the Chair of the Board will have to be approved by the Representative Body, taking into consideration the advice from the People and Remuneration Committee.

Consideration should also be given to benchmarking the level of the Chair of the Board pay on a regular basis. The NHF advise that this should be done regularly, ideally by an independent party.

The payment for Neds will be reviewed by the People and Remuneration Committee on an annual basis and any recommendation will be considered by and subject to the approval of the Representative Body.

Outline Re-appointment and Recruitment Process Map

