

BOARD POLICY – NCHA/ NC2HA MEMBERS' TERMS OF OFFICE

Responsible Director – Chair

Responsible Officer - Chief Executive and Secretary

Last Review - October 2019

Next Review - October 2022

1.0 CONTEXT

The Association's Rules and adopted code of governance (NHF Code 2015) contain provisions regarding terms of office for Board Membership. The purpose of this document is to detail the Policy relating to terms of office and to ensure compliance with the Rules, the Code and best practice.

Within the Rules, D11- D14 state that:

- [D11] each Board Member shall be elected for a fixed term of office, expiring at the conclusion of an Annual General Meeting (AGM);
- [D11] the Board shall set and agree policies on the maximum terms of office which Board Members may serve;
- [D12] Board Members who have served their fixed term may be eligible for re-election at an AGM;
- [D14.1] Board Members standing for re-election must submit a written statement setting out their details and reasons for suitability to be a Board Member.

Within the Code, Section D contains additional requirements as follows:

- [D2] Maximum tenure must be agreed for all non-executives which must in total be nine years or fewer, composed of two or more consecutive terms of office. This maximum tenure must apply to all Board Member service with an organisation or its predecessors or its subsidiaries.
- [D3] Where a Member comes to the end of an individual term of office and is eligible for re-appointment, this must be subject to consideration of the Member's appraised performance, skills and to the wider needs of the Board at that time.
- [D4] A Member who has left the Board after serving the maximum tenure must not be re-appointed for at least one full term of office.
- [D5] In considering its composition and renewal, the Board must have regard to the need to include people from diverse backgrounds with diverse attributes, to ensure healthy debate and challenge and a range of perspectives.

2.0 SCOPE

- 2.1 The Policy set out below concerns terms of office and applies to NCHA Board Membership, NC2HA Board Membership and independent Committee Memberships for the Committees of the NCHA Board (Audit & Risk, Care).

3.0 REFERENCES

- 3.1 NCHA Rules (approved 2015) and NC2HA Rules (approved 2011)
- 3.2 NHF Code of Governance (2015 Edition)

4.0 POLICY STATEMENT

- 4.1 Maximum terms of office for NCHA Board Members and NC2HA Board Members will comply with the provisions of the NHF Code 2015.
- 4.2 As set out in the Rules, a term of office for NCHA and NC2HA Board Members shall commence from election or re-election by shareholders at the AGM.
- 4.3 An individual term of office for NCHA and NC2HA Board Members will last three years, expiring at the AGM on the third anniversary of appointment (or re-appointment).
- 4.4 At the end of each individual term of office, NCHA and NC2HA Board Members may stand for re-election by shareholders at the AGM, subject to a strict maximum of three consecutive terms of office (nine consecutive years in total).
- 4.5 Re-election will be subject to consideration of the Member's appraised performance and skills, and to the wider needs of the Board at that time.
- 4.6 Members standing for re-election must also complete a nomination form setting out their details and the reasons for their continued suitability as a Board Member.
- 4.7 Elections and re-elections by shareholders at an AGM will be carried out by a show of hands of those shareholders present at the meeting or by proxy on the basis of one member one vote with the result being determined by a simple majority. In the event of a tied vote the Chair may exercise a casting vote.
- 4.8 Any Board Member who has served a three full terms of office (9 years) must ensure that a single full term has elapsed (3 years) before they are eligible to stand again for re-appointment.
- 4.9 Board Members may be recruited outside of the Annual General Meeting cycle and in this case shall be co-opted onto the Board, and approved as co-optees by the Board. Such Board Members shall have the status of co-optees as defined in the Rules until the next available AGM when they may be elected as Board Members. For the avoidance of doubt, the first term of office shall commence from the date of their initial AGM appointment.
- 4.10 Independent Members of NCHA's Committees, who are not also Members of NCHA/NC2HA Board shall also be subject to a nine year maximum length of service.