



Board Membership and Shareholding Policy

1. Aim of policy

The aim of this policy is to have transparent management of board membership and shareholding.

2. Policy

Shareholders

Our shareholders are persons whose name and address have been entered in the Register of Shareholders.

All shareholders are bound by the obligations on them as set out in our Rules. When acting as a shareholder they must always act in the interest of the Association and for the benefit of the community, as guardians of the objects of the Association.

Shareholding admission

Shareholding membership is open to serving Board Members only. An application for admission to shareholding membership must be accompanied by a £1 payment. If approved, a share is issued; if not, the money is returned. Exclusions to shareholding are listed in our Rules.

Shareholding rights

Shareholders have the right to attend and vote at annual and other general meetings of shareholders. They also have a right to receive proposed written resolutions and to vote on them.

At our annual general meeting, shareholders are responsible for:

- Receiving our annual report and accounts;
- Appointing our auditors;
- Electing board members, if applicable;
- Transacting any other general business proposed by the board and included in the notice convening the meeting; and
- Approving any changes to our Rules.

Shareholding cessation

Our Rules set out the circumstances which will result in the termination of shareholding membership.

When a shareholder stops being a shareholder or is expelled, their share will be cancelled. The £1 paid up will become our property.

Board membership

Our Rules outline how we are constituted and our arrangements for the composition of the Board, terms of office and election or appointment to the Board. These arrangements are overseen by the Remuneration and Nominations Committee (RNC).

Our adopted Code of Governance sets out our approach to board skills, renewal and review.

Succession planning

In our Board succession planning we will achieve a balance between the need for continuity and our desire to continually refresh and renew the Board. We do this by staggering term dates, reviewing competency gaps based on our operating environment and, if needed, changing the size of the Board. The Board will ensure that its overall composition comprises of members with skills which cover the broad range of activities we carry out as an organisation.

Recruitment

Our Non-Executive Director (NED) recruitment is open and transparent, including advertising and interview panels. A variety of recruitment methods may be used, depending on the circumstances and the expertise needed.

All new Board Members will have a tailored induction programme to help them understand their responsibilities as well as our Corporate Plan, ambitions, customers, values and culture, to become effective as quickly as possible. The Governance team is responsible for designing and managing this induction process.

No-one can become or remain a Board Member if they fail to meet the conditions in our Rules.

3. Related documents

- Model Rules
- NHF Code of Governance

| Consultation requirements | Last Consultation Date | Date for next consultation |
|---|--------------------------------|-----------------------------------|
| N/A | N/A | N/A |
| Equality Impact Assessment required? | Last EIA date completed | |
| N/A | N/A | |

| Author | Owner | Date approved | Review date |
|--------------------|-------------------|----------------------|--------------------|
| Head of Governance | Company Secretary | March 2023 | March 2024 |