

GOVERNANCE & NOMINATIONS COMMITTEE

DRAFT PROTOCOL FOR THE APPOINTMENT OF NON EXECUTIVE DIRECTORS

1 Aim

The aim of this paper is present the Governance & Nominations Committee with the opportunity to develop a protocol for future Non-Executive Director appointments.

2 Background

2.1 The Council of Governors agreed the current process in September 2007 and this was successfully used for the recruitment of Museji Takolia and Mike Evans. The attached draft protocol (Appendix 1) develops this process and incorporates the lessons learned from the recent round of appointments.

2.2 Given the apparent recent successes with the assistance of a recruitment consultant in identifying and appointing three very high quality candidates, it would seem apposite to include the option to use external agencies for future appointments.

3 Discussion

As part of its consideration of the process the Committee is invited to:

- note that the Monitor Code of Governance recommends appointing Non-Executive Directors for a period of 3 years:

C2.2 Non-executive directors, including the chairman, should be appointed by the board of governors for specified terms subject to re-appointment thereafter at intervals of no more than three years and to the 2003 Act provisions relating to the removal of a director. Any term beyond six years (e.g. two three-year terms) for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board. Non-executive directors may serve longer than nine years (e.g. three three-year terms), subject to annual re-election. Serving more than nine years could be relevant to the determination of a non-executive director's independence (as set out in provision A.3.1).

- recognise that this process applies equally to the appointment of a Chair and Non-Executive Directors.

4 Recommendations

The Governance and Nominations Committee is invited to:

- reflect on the recent appointment process
- consider the draft protocol
- offer suggestions for improvement and development
- **AGREE** the move to an initial 3-year appointment for Non-Executive Directors

5 Next Steps

- 5.1 Following the inclusion of any agreed amendments the draft protocol will be submitted to the Council for approval and adoption.

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Presented by:

Dame Janet Trotter
Chair
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