

# British Business Bank Plc

## Governance & Nomination Committee

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#### 1. Constitution

- 1.1 The Committee is a Committee of the Board appointed in accordance with the company's articles of association.

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#### 2. Membership

- 2.1 The Committee shall comprise at least three directors, one of which should be the Senior Independent Director; the majority should either be independent non-executive directors, or shareholder representatives who are directors of the company.
- 2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, other directors and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary and at the Committee Chair's discretion. In particular, the General Counsel & Company Secretary and Chief People Officer may be invited to attend.
- 2.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for a further period of up to three years, provided the director still meets the criteria for membership of the Committee. Any appointment beyond six years should be subject to rigorous review.
- 2.4 The Board shall appoint the Committee Chair who should be either the Chair of the Board or an independent non-executive director. In the absence of the Committee Chair and/or an

appointed deputy, 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. The Chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chair of the Board. In this case, the Committee will be chaired by the Senior Independent Director or other director elected by the Committee.

- 2.5 The quorum necessary for the transaction of business shall be two, one of whom must be the Chair of the Committee .

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### **3. Secretary**

- 3.1 The Company Secretary or their nominee shall act as the secretary of the Committee.

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### **4. Frequency, Notice and Minutes of meetings**

- 4.1 The Committee shall meet at least twice a year and otherwise as required.
- 4.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair.
- 4.3 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

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### **5. Annual General Meeting**

- 5.1 The Committee Chair should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

### **6. Duties**

- 6.1 The Committee shall carry out the duties detailed below for the company, major subsidiary undertakings and the group as a whole, as appropriate. More specifically, the Committee shall:

#### **Leadership needs of the organisation both non-executive and executive**

- 6.2 Keep under review the leadership needs of the organisation, both executive and non-executive, and remain up to date and fully informed about governance, strategic issues and commercial changes affecting the company with a view to ensuring the continued ability of the organisation to function effectively;
- 6.3 Make recommendations to Board on the delegated remit of subsidiaries and subcommittees;
- 6.4 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;

- 6.5 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise; formulating plans for succession for both executive and non-executive directors and, in particular, for the key roles of Chair and Chief Executive, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future;
- (A) membership of the audit, risk and remuneration committees, and any other Board Committees as appropriate, in consultation with the Chairs of those Committees;
  - (B) the re-appointment of any non-executive director 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;
- 6.6 give full consideration to succession planning for other senior executives at Executive Committee level in the course of its work;

### **Appointments**

- 6.7 before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience, and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:
- (A) use open advertising or the services of external advisers to facilitate the search;
  - (B) consider candidates from a wide range of backgrounds;
  - (C) consider candidates on merit and against objective criteria and with due regard to the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- 6.8 The Department for Business and Trade will recruit and appoint the Chair; the Committee will provide support, as required. A proposed Chair's other significant commitments should be disclosed to the Board before appointment and any changes to the Chair's commitments should be reported to the Board as they arise;
- 6.9 prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 6.10 make recommendations to the Board regarding the re-election by the shareholder of directors under the annual re-election provisions of the UK Corporate Governance Code (the "**Code**") or the retirement by rotation provisions in the company's articles of association, having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
- 6.11 make recommendations to the Board on any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive

director as an employee of the company subject to the provisions of the law and their service contract; and

- 6.12 ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings;
- 6.13 make recommendations to the Board regarding the appointment of any director to executive or other office.

### **Evaluation, learning, and development**

- 6.14 review the results of the Board performance evaluation process and make recommendations to the Board
- 6.15 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 the full remit of their duties; and
- 6.16 work and liaise as necessary with all other Board Committees.
- 6.17 oversee and implement periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 6.18 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;

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## **7. Reporting responsibilities**

- 7.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 The Committee shall produce a report to be included in the company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the company.
- 7.4 The report referred to in 7.3 above should include a the Board's statement on diversity and inclusion, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

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## 8. Other matters

The Committee shall:

- 8.1 where relevant, act in accordance with article 67 of the company's articles of association and the remaining provisions of the company's constitution;
- 8.2 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 8.3 give due consideration to laws and regulations, the provisions of the Code and any other applicable rules, as appropriate; and

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## 9. Authority

- 9.1 The Committee is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.
- 9.2 to make written resolutions outside of the formal Committee meetings in line with BBB Articles of Association paragraph 97(C) and 99.

<b>Version</b>	<b>Date</b>	<b>Authors</b>	<b>Description</b>
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