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## THFC Group Nominations Committee - Terms of Reference

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### 1 Constitution

For the purposes of this document, reference to The Housing Finance Corporation Limited ("THFC") includes the equivalent functions for all its subsidiary companies, together known as "the Group". The Committee is empowered to act for the Group.

### 2 Membership

Committee members shall be appointed by the board of THFC and shall comprise a minimum of four Non-Executive Directors of THFC. The Board shall appoint one of the non-executive directors as the Nominations Committee Chair.

Mr Will Perry has been appointed Chair of Nominations Committee.

### 3 Meetings

The Committee shall meet once a year, and otherwise as required and agreed by its members.

Meetings may be held virtually with the approval of the Chair.

### 4 Quorum

As a minimum, two non-executive members of the Committee present at a meeting shall constitute a quorum.

A member may attend (and be deemed present at) a meeting by telephone or any other electronic device.

If the Committee Chair is unable to attend, one of the other non-executive directors shall be appointed Chair of the meeting.

### 5 Attendance at meetings

The Chief Executive, Chair and Company Secretary may attend meetings by invitation.

### 6 Responsibilities

The Nominations Committee is a committee of the Board, chaired by a member of the Board, and is responsible for:

- a. Reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and making recommendations to the board with regard to any changes.
- b. Ensuring plans are in place for orderly succession to board and senior management positions and overseeing the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future.
- c. Identifying and nominating candidates to fill board vacancies as and when they arise, for approval by the Board.
- d. Before any appointment is made by the Board, evaluating the balance of skills, knowledge, experience and diversity on the board and in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment and the time commitment expected.

In identifying suitable candidates, the Committee shall:

- i) Use open advertising or the services of external advisers to facilitate the search.

- ii) Consider candidates from a wide range of backgrounds.
  - iii) Consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the board and taking care that appointees have enough time to devote to the position.
- e. Ensuring 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.
- f. Reviewing the results of the board performance evaluation process that relate to the composition of the board and succession planning.

## **7 Authorities**

The Committee is authorised by the Board to obtain, at THFC's expense, outside legal or other professional advice on any matters within its terms of reference.

## **8 Recommendations to the Board**

The Committee shall make recommendations to the Board regarding the following matters:

- a. Suitable candidates as new directors and succession planning for existing directors.
- b. The appointment of any director to executive or other office.
- c. Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved.
- d. Membership of the board committees, in consultation with the chair of those committees.
- e. The re-election by shareholders of directors under the retirement by rotation provisions in THFC's rules, having due regard to their performance and ability, and why their contribution is important to THFC's long-term sustainable success.

When recommending re-election of directors for approval by members, the Committee shall consider directors' contributions in the light of the skills, experience and knowledge required by the Board and the need for progressive refreshing of the board, taking into account the length of service of individual directors, the Chair and the Board as whole.

- f. 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.

## **10 Reporting responsibilities**

The Committee shall:

- a. Report to the Board after each meeting on the nature and content of its discussion, recommendations, and action to be taken.

Committee minutes shall be presented to the Board and the Chair of the Committee shall present any issues arising of which the Board should be made aware.

- b. Produce a report to be included in the company's annual report describing the work of the Nominations Committee, including:
  - i) The process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline.
  - ii) How board evaluation has been conducted, the nature and extent of an external evaluator's contact with the board and individual directors, the outcomes and actions taken, and how it has influenced or will influence board composition.

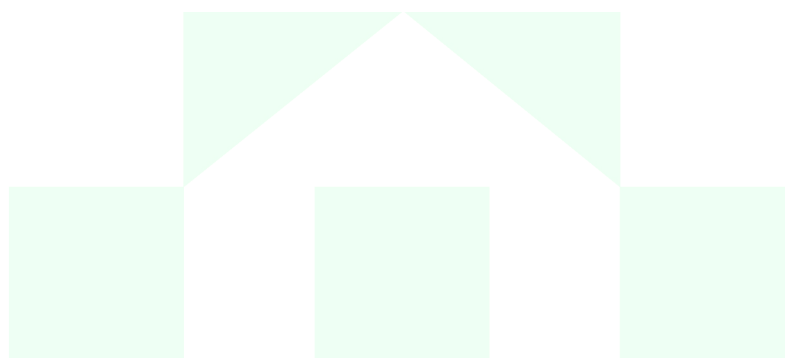
- iii) the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives, and
- iv) the gender balance of those in the senior management team and their direct reports.

**9 Annual review**

The Committee will review annually its terms of reference and its own effectiveness and recommend any necessary changes to the Board.

These terms of reference were last approved by the Board on 24 May 2022.

**Ray Walker**  
**Company Secretary**  
**24 May 2022**



The Housing Finance Corporation Limited