

NS&I BOARD: TERMS OF REFERENCE

Approved by the Board on 10 December 2025

CONTEXT

1. The NS&I Chief Executive, who is appointed by the Chancellor of the Exchequer, bears personal responsibility as Accounting Officer of NS&I as determined from time to time by the HM Treasury through *Managing Public Money* and other guidance. The Chief Executive also bears clear and separate legal responsibilities, which cannot be delegated, as Director of Savings. The Chief Executive therefore remains ultimately accountable for the achievement of NS&I's objectives.
2. The NS&I Board is advisory. The Chief Executive is expected to accept the majority view of the NS&I Board except where doing so would conflict with the Chief Executive's responsibilities as Accounting Officer. In such a situation, the Chief Executive must ensure that the Board has a full opportunity to discuss the rationale. The Chief Executive should confirm the rationale for not following the advice of the Board in writing to the Chair of the Board and the Principal Accounting Officer of HM Treasury, copied to the Treasury Officer of Accounts.
3. To ensure good governance practice, individual Board members act as if they have full corporate legal responsibilities, accepting the consequences of their actions, recommendations and decisions.

BOARD RESPONSIBILITIES

4. Board members shall act in the public interest and comply with the *Code of conduct for board members of public bodies*¹ and with NS&I policies.
5. In accordance with *Corporate governance in central government departments: code of good practice*² the board shall advise in five main areas: strategic clarity, commercial sense, talented people, results focus and management information.
6. The board also supports the Accounting Officer in the discharge of obligations set out in *Managing Public Money*³ for the proper conduct of business and maintenance of ethical standards.
7. Operating within instructions and guidance from HM Treasury, and in support of the Chief Executive and the achievement of NS&I's objectives, the Board shall advise on:
 - 7.1. NS&I's overall culture and ethics, including assessing and monitoring culture and assessing and monitoring how the desired culture has been embedded
 - 7.2. the annual planning criteria and timetable
 - 7.3. developing NS&I's vision, strategy and corporate policies
 - 7.4. the annual business plan, including consistency with corporate strategy, and the objectives, plans and milestones for major change programmes; and monitors progress against plan and budget via the balanced business scorecard and programme report, reviewing major variances

¹ <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/609903/PU207_7_code_of_practice_2017.pdf

³ <https://www.gov.uk/government/publications/managing-public-money>

- 7.5. NS&I's systems for compliance with legal, regulatory and government security requirements, and its reporting obligations to HM Treasury, the Cabinet Office and Parliament
 - 7.6. NS&I's compliance with best corporate governance practice, including through an annual review
 - 7.7. the maintenance and development of relationships with stakeholders, and
 - 7.8. the Annual Report and Accounts. The Board gives support to its signature by the Accounting Officer, taking into account the recommendations and comments from the Audit & Risk Committee.
8. The Board also:
- 8.1. monitors, advises, supports, challenges and develops senior management and advises on succession plans, and
 - 8.2. [directly and through its Audit and Risk Committee] monitors and advises on the effectiveness of NS&I's risk management and internal control framework.

BOARD COMMITTEES

- 9. The Board has two standing committees, the Audit and Risk Committee and the Remuneration Committee (which also fulfils the role of a nominations committee as described in *Corporate governance in central government departments: code of good practice*²), each chaired by a non-executive director other than the Chair of the Board.
- 10. The Board also has a temporary committee, the Business Transformation Programme Committee, chaired by a non-executive director. The Board will periodically review the need to retain that committee.
- 11. Committee membership and terms of reference are approved by the Board.
- 12. The Board's committees exercise governance functions and shall not stray into the executive management of NS&I.

MEMBERSHIP

- 13. The Board comprises:
 - 13.1. up to seven independent non-executive directors, one of whom will act as Chair of the Board,
 - 13.2. the Chief Executive and other executive directors
 - 13.3. up to two representatives of HM Treasury, including at least one from Debt and Reserves Management (DRM).

Others, from inside or outside NS&I may be invited to attend meetings and contribute to discussions, either in connection with particular items or as standing invitees.

NON-EXECUTIVE DIRECTORS

- 14. The Chancellor of the Exchequer appoints the non-executive directors through open public recruitment, regulated by the Office of the Commissioner for Public Appointments. The non-executive directors have the right of direct access to the HM Treasury Minister with responsibility for NS&I and undergo a standardised induction process overseen by NS&I's People and Finance Director.

15. All appointments are made with regards to diversity, including gender, balance of skills and experience. In accordance with the *UK Corporate Governance Code*⁴, the Board will report on its policy on diversity, including gender, in the Annual Report and Accounts.
16. The period non-executive directors may serve on the board is limited to ensure their independence. Independent non-executive directors will be appointed initially for a three-year term. They may be appointed for a further three-year term. Beyond that their appointment may only be extended further under special circumstances up to a maximum of nine years from their first appointment to the Board.
17. Non-executive directors assist the Board by:
 - 17.1. providing constructive challenge across the Board's business
 - 17.2. providing an objective perspective and new ideas
 - 17.3. seeking to add rigour to Board processes
 - 17.4. bringing their specific expertise and experience to Board discussions
 - 17.5. advising executive directors on specific matters by mutual agreement.

QUORUM

18. The Board will be properly constituted when six or more of the members are in attendance (whether in person or by video conference). Of these there must be
 - at least three independent non-executive directors, including the Chair or, in the Chair's absence, a non-executive director nominated by the Chair for that purpose and
 - at least three executive directors including the Chief Executive or, in the Chief Executive's absence, an executive director nominated by the Chief Executive for that purpose.
 In addition, HM Treasury must be represented at each Board meeting, either by the HM Treasury representative(s) on the Board or another member of HM Treasury staff.
19. Attendance at Board and committee meetings shall be disclosed in the Annual Report and Accounts.

CONFLICTS OF INTEREST

20. All Board members must declare any personal or business interests or involvement with private sector, public sector and voluntary, community or charitable organisations.
21. The register of Board members' interests shall be reviewed at the start of each Board meeting. Board members will be asked to disclose any changes to their interests and any interests that are relevant to the matters on the agenda for that meeting. Any conflicts of interest identified will be managed in accordance with NS&I's conflicts of interest policy.

CHAIR OF THE BOARD

22. In addition to his/her role as a non-executive director, the Chair of the Board:
 - 22.1. chairs Board meetings, managing discussion to ensure all Board members can contribute as they wish and that, as far as is possible, the meeting runs to time
 - 22.2. agrees the final version of the Board's agendas and reviews draft minutes prior to their submission to the Board for approval
 - 22.3. provides a focal point for Board members to discuss any concerns about the operation of the Board, on both a business and personal basis.

⁴ <https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf>

22.4. .

MEETINGS

23. The Board normally meets five times a year. The meeting schedule is published on a rolling annual basis, with the expectation that Board members will attend all meetings.
24. In addition, the Board will hold briefings, workshops and strategic sessions, which may be chaired by any of the Board members as appropriate, to be updated on and discuss specific issues.

VOTING

25. The Board will operate on the principle of consensus. Where consensus is not achievable, a vote will be taken. Each Board member will have one vote. In the event of a tied vote the Chief Executive will have a casting vote. Except in the circumstances described in paragraph 2 above, the Chief Executive will accept the outcome of the vote.

MINUTES

26. Draft minutes of Board meetings and notes of workshops will normally be produced for the Chief Executive's review within three working days. They will be submitted to the Chair for review before issue to the Board for approval at its next meeting.
27. The minutes will comprise a summary of the topics covered and the resultant discussion; any decisions (including any dissension and the reasons for it); and action items and those responsible for their discharge.

BOARD SUPPORT

28. The Chief Executive will appoint a Board Secretary, who will advise on, and point out any breaches, or potential breaches of, best corporate governance practice, including regularity and propriety.
29. The Board Secretary will also:
- 29.1. support the Chair and Chief Executive in the construction of the Board calendar and agendas
 - 29.2. call for and distribute Board papers, as required by the agenda
 - 29.3. issue invitations to attend meetings
 - 29.4. prepare minutes
 - 29.5. act as secretary to the Board's standing committees.
30. The Chief Executive's assistant will provide administrative support to the Board Chair.

REVIEW

31. The Board will evaluate its effectiveness annually with independent input at least once every three years.
32. Board membership will be reviewed annually in relation to the balance of skills, training needs, succession management and talent development.
33. The Board will formally review these terms of reference annually.