

## **Governance and Nominations Committee Terms of Reference**

### **1. Main Purpose:**

Lead the process for Board appointments and make recommendations to the Board.

### **2. Members:**

Chair of the Board (Chair) All Non-Executive Directors

In the absence of the Committee Chair at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

The Chief Governance Officer or nominee will act as Secretary to the Committee.

### **3. Quorum:**

Any three Non-Executive Directors.

### **4. Attendance:**

Only members of the Committee have the right to attend Committee meetings. The Chief Executive Officer and the Chief People Officer shall normally attend meetings of the Committee. The Committee may invite or require the attendance of any other person.

The Chief Governance Officer or nominee will act as Secretary to the Committee.

### **5. Frequency of Meetings:**

The Committee shall normally meet on not less than four times per annum. Outside of the formal meeting programme, the Committee Chair, and to a lesser extent the other Committee members, will maintain a dialogue with key individuals involved in governance and nominations related matters.

### **6. Other Matters**

This Committee reports to the Board.

The Chair of the Committee shall formally report to the Board on proceedings following each meeting of the Committee on all matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the Board it considers appropriate on any area within its remit where action or improvement is needed.

The Committee shall produce a report of its activities to be included in the Society's Annual Report and Accounts.

The Secretary to the Committee will record any conflict of interest disclosed at a Committee meeting.

The Committee may obtain such information as it considers necessary from any employee or officer of the Society and may obtain legal or other professional advice as it considers necessary.

The Secretary of the Committee shall circulate the agenda and papers for each meeting of the Committee no less than five clear working days in advance of the relevant meeting.

### **7. Minutes**

Formal Minutes, approved by the Chair of the Committee shall be submitted to the Board following each meeting of the Committee.

### **8. Annual General Meeting**

The Chair of the Committee shall attend the annual general meeting to answer member questions on the Committee's activities.

## COMMITTEE FUNCTIONS

	MATTER	INTERNAL COMMITTEE DELEGATION	FREQUENCY
<b>1.</b>	<b>STRATEGY</b>		
1.1	Set and monitor diversity and inclusion objectives and strategies including setting the target for gender representation on the Board together with oversight of diversity and inclusion and the gender balance of direct reports of senior management.	No delegation	Annually
<b>2.</b>	<b>PERFORMANCE AND RISK MANAGEMENT</b>		
<b>3.</b>	<b>CULTURE &amp; LEADERSHIP</b>		
3.1	Give full consideration to succession planning for members of the Board in the course of its work, taking into account the challenges and opportunities facing the Society, and what skills and expertise are therefore needed on the Board in the future.	No delegation	As necessary
3.2	Maintain and regularly review a policy promoting diversity on the Board and identify/nominate for approval to the Board, candidates to fill Board vacancies as and when they arise. Monitor progress against the targets set leading to an increase in diversity.	No delegation	As necessary
3.3	Before appointment is made by the Board, evaluate the combination of skills, knowledge, diversity, experience and tenures of service on the Board, the future challenges affecting the Society's business and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment.	No delegation	As necessary
3.4	In identifying suitable candidates the Committee shall normally: <ul style="list-style-type: none"> <li>• Use open advertising and/or the services of external advisers to facilitate the search.</li> <li>• Consider candidates from a wide range of backgrounds.</li> <li>• Consider candidates on merit and against objective criteria, taking particular care that appointees have enough time available to devote to the position.</li> <li>• Consider other pre-existing demands on a candidate's time.</li> </ul>	No delegation	As necessary
3.5	Ensure that prior to appointment of a director, the proposed appointee is required to: <p>[a] 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</p> <p>[b] disclose any significant commitments with an indication of time involved.</p>	No delegation	As necessary
3.6	Keep under review the leadership needs of the Society, both Executive and Non-Executive with a view to ensuring the continued ability of the Society to compete effectively in the market place.	No delegation	As necessary

3.7	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, duration of appointment, committee service and involvement outside Board meetings.	No delegation	As necessary
3.8	<p>Make recommendations to the Board concerning:</p> <ul style="list-style-type: none"> <li>• Suitable candidates for the role of Senior Independent Director and Board Whistleblowing Champion.</li> <li>• Membership of the Audit, Remuneration, Board Risk Committees, in consultation with the Chairs of the same.</li> <li>• The re-appointment of any Non-Executive Director at the conclusion of their specified term of office, having regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.</li> <li>• The re-election by members of any director under the “retirement by rotation” provisions in the Society’s rules having regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.</li> <li>• Any matters relating to the continuing in office of any Director at any time including the suspension or termination of service of any executive director as an employee of the Society subject to the provisions of the law and their service contract.</li> </ul>	<p>No delegation</p> <p>No delegation</p> <p>No delegation</p> <p>No delegation</p> <p>No delegation</p>	<p>As necessary</p> <p>As necessary</p> <p>Annually</p> <p>Annually</p> <p>As necessary</p>
4.	<b>CORPORATE GOVERNANCE MATTERS</b>		
4.1	Annually review the structure, size and composition (including the skills, knowledge, qualities, competencies and experience) required of the Board of Directors compared to its current position and make recommendations to the Board with regard to any change.	No delegation	Annually
4.2	Review annually whether or not each non-executive director has been able to devote enough time to adequately fulfil their duties.	No delegation	Annually
4.3	Regularly review the adequacy of arrangements leading the development of; and monitoring the effective implementation of; policies and procedures for the induction, training and professional development of all members of the firm’s governing body.	No delegation	As necessary
4.4	Not less than annually satisfy itself that appropriate corporate governance arrangements have been maintained having regard to the provisions contained in the UK Corporate Governance Code.	No delegation	Annually
4.5	To determine and lead the process for the annual Board Effectiveness Review, engaging external independent facilitators as required and overseeing the implementation of the action plan.	No delegation	Annually
4.6	Not less than annually review the register of Directors’ Interests.	No delegation	Annually

4.7	<p>The Committee is responsible for considering the succession plan for the Board, Non-Executive Directors, Executive Directors and members of the Senior Leadership Team. Specifically, the Committee will:</p> <ul style="list-style-type: none"> <li>Consider at least annually the succession plan for the Board, Board Committees and the Senior Leadership Team to ensure that there is continuity of the collective capability and capacity to meet the Society's strategic priorities, comply with the Society's Rules and meet regulatory requirements.</li> <li>At least annually assess the range of knowledge, skills and experience of individual members of the Board with the aim of identifying any skills gaps and make recommendations to the Board with regard to any changes having regard to the challenges and opportunities facing the Society.</li> </ul>	No delegation	Annually
4.8	The Chair of the Committee will review, triennially, Board Committee Membership and recommend changes where appropriate.	No delegation	Triennially
4.9	Not less than annually review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.	No delegation	Annually
4.10	Review annually the Board Composition Policy.	No delegation	Annually
4.11	Ensure there are proper mechanism in place to for the communication of changes in Board composition to colleagues, the media, trade bodies and other external stakeholders.	No delegation	As necessary
4.12	Determine appropriate training and development for Committee Members both on appointment and on an ongoing basis to ensure that Members of the Committee are appropriately skilled.	No delegation	As necessary

