

Board Nominations Committee

Terms of Reference



1. Purpose

The role of the Board Nominations Committee is to ensure that the Board is of an appropriate size and has an appropriate balance of knowledge, skills and experience to lead the business. In so doing it will oversee succession planning at Board and senior management level and ensure arrangements are in place to evaluate Board performance.

2. Membership

Appointments to the Committee are made by the Board in consultation with the Chairman of the Committee.

- All members of the Committee shall be Non-Executive Directors.
- The Chairman of the Board shall be the Chair of the Committee.
- Other individuals such as the Group Chief Executive and external advisers may be invited to attend for all or part of any meeting, to facilitate effective operation of the Committee.

3. Quorum

Meetings of the Committee shall be quorate when attended by the Chairman or their nominee and 3 members.

4. Frequency of Meetings

The Committee shall meet at least twice a year, or on a more frequent basis as agreed by the Chairman of the Committee.

5. Secretary

The Society Secretary or their nominee shall act as secretary to the Committee.

6. Reporting Responsibilities

Minutes of Committee meetings shall be circulated only to Committee members and not to the full Board. In addition, the Chairman of the Committee will provide a verbal update where appropriate, to the next Board meeting after each meeting of the Committee on the key matters considered by the meeting.

7. Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any member questions on the Committee's activities.

8. Duties of the Committee

The Committee shall consider and make recommendations to the Board in respect of:

- 8.1 The structure, size and composition (including the skills, knowledge and experience) of the Board;
- 8.2 Succession planning for directors and other senior executives taking into account the challenges and opportunities facing the Society, and what skills and expertise are, therefore, expected to be needed by the Board in the future;
- 8.3 Identification and nomination of candidates to fill Board vacancies as and when they arise having evaluated the balance of skills, knowledge and experience on the Board. In the light of this evaluation the Committee will prepare a description of the role and

capabilities required for a particular appointment. In identifying suitable candidates the Committee may, if appropriate, use open advertising or the services of external advisers to facilitate the search;

8.4 Nomination of Chairman and Deputy Chairman;

8.5 Appointment of Managing Directors or Chief Executives of principal subsidiary companies;

8.6 Presentation of directors for re-election by members 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;

8.7 Any matters relating to the continuation 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 Society Rules, law and their service contract or the suspension or termination of service of any Non-Executive Director subject to the provisions of the Society Rules, law and the terms of their letter of appointment; and

8.8 Membership of the Board Audit, Board Risk, Board Remuneration, Non-Executive Remuneration and Executive Committees, in consultation with the Chairman of those committees;

Further the Committee shall:

8.9 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 their Senior Management Responsibilities, time commitment, committee service and involvement outside Board meetings. The Committee should seek assurance that the individual has sufficient time available to meet the demands of the role;

8.10 Receive annually a report from the Chief Conduct Risk Officer and Secretary that Board members remain fit and proper persons to be Directors under the requirements of the PRA & FCA;

8.11 Ensure that appropriate arrangements are in place to assess Board effectiveness, at least, annually;

8.12 Approve the appointment of shareholder representatives on principal subsidiary companies based on the recommendation of the Group Chief Executive and subject to the approval of the relevant subsidiary company;

8.13 Receive and review a list of the members of Boards of all principal subsidiaries on an annual basis; and

8.14 Obtain, at the Society's expense, external legal or other professional advice on any matters within its terms of reference, it deems necessary to fulfil its obligations.

9. Annual Review

The Committee's Terms of Reference shall be reviewed, at least, annually with agreed changes presented to the Board for approval.