

Nominations Committee Terms of Reference

Last reviewed by Committee: March 2021

Last Approved by Board: May 2021

1. Membership

1.1. The committee shall comprise of at least three independent non-executive directors one of whom shall be the chair of the board.

1.2 Appointments to the committee are made by the board on the recommendation of the nomination committee and shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the director still meets the criteria for membership of the committee.

1.3 Only members of the committee have the right to attend committee meetings. However, other individuals such as the Chief Executive Officer, the HR Manager, and external advisers may be invited to attend for all or part of any meetings, as and when appropriate.

1.4 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 qualify under these terms of reference to be appointed to that position by the board.

1.5 The chair of the board shall not chair the committee when it is dealing with the matter of succession of the chair of the board.

2. Secretary

The society secretary, or their nominee, shall act as secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3. Quorum

The quorum necessary for the transaction of business shall be two, both of whom must be independent non-executive directors.

4. Frequency of meetings

4.1 The Committee shall meet at least twice per annum and otherwise as required.

4.2 One meeting each year will deal specifically with review of the Board Skills Matrix.

5. Notice of meetings

5.1 Meetings of the committee shall be called by the secretary of the committee at the request of the committee chair or any of its members.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time, and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee and any other person required to attend no later than 5 working days before the date of the meeting. Unless otherwise agreed, supporting papers shall be sent to committee members and to other attendees, as appropriate, at the same time.

6. Minutes of meetings

6.1 The secretary shall minute the proceedings and decisions of all committee meetings, including recording the names of those present and in attendance.

6.2 Draft minutes of committee meetings shall be circulated to all members of the committee. Once approved, minutes should be made available to all other members of the board and the company secretary unless, exceptionally, it would be inappropriate to do so.

7. Engagement with stakeholders

7.1 The committee chair should attend the annual general meeting to answer any member questions on the committee's activities. In addition, the committee chair should seek engagement with members on significant matters related to the committee's areas of responsibility where appropriate to do so.

8. Duties

8.1 The Committee shall:

- Regularly review the structure, size, and composition of the Board (including skills, knowledge, experience, and diversity) to ensure it keeps pace with the Society and make recommendations to the Board with regard to any changes.
- Ensure plans are in place for orderly succession to the board and executive leadership positions and oversee the development of a diverse pipeline for succession, considering the challenges and opportunities facing the Society, and the skills and expertise needed on the board in the future.
- 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 and fulfil its mission.
- Be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise.
- 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 and the time commitment expected.
- Consider and make recommendations to the Board regarding the appointment, reappointment, resignation, and removal of directors to the board. Appointments will be made in accordance with best practice, legislation, relevant regulation and the Society's rules and policies.
- 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.
- Review the results of the board performance evaluation process that relate to the composition of the board and succession planning.

- 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 their duties.
- Work and liaise as necessary with other board committees, ensuring the interaction between committees and with the board is reviewed regularly.
- Ensure that the UK Corporate Governance Code and FRC Guidance on Board Effectiveness are considered, having regard to the relevant guidance issued by the BSA.

8.2 The committee shall make recommendations to the board concerning:

- Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved.
- Suitable candidates as new directors and succession for existing directors.
- Membership of the audit and remuneration committees, and any other board committees as appropriate, in consultation with the chair of those committees.
- The re-appointment of non-executive directors 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.
- The re-election by members of directors under the retirement by rotation provisions in the Society's rules, having due regard to their performance and ability, and why their contribution is important to the Society's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the board, considering the length of service of individual directors, the chair and the board as a whole.
- 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 Society subject to the provisions of the law and their service contract.
- The appointment of any director to executive or other office.

9. Reporting responsibilities

9.1 The committee chair shall report to the board after each meeting on the nature and content of its discussion, recommendations, and action to be taken.

9.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for board discussion when necessary.

9.3 The committee shall produce a report to be included in the Society's annual report describing the work of the nomination committee, including:

9.3.1 the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline.

9.3.2 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.

9.3.3 the policy on diversity and inclusion, its objectives, how it has been implemented and progress on achieving the objectives, and

9.3.4 the gender balance of those in the senior management team and their direct reports.

9.4 If an external search consultancy has been engaged, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors.

9.5 The committee shall receive reports on the following:

- Board Diversity
- Board Skills Matrix
- Board Effectiveness

10. Other matters

The committee shall:

10.1 Have access to sufficient resources to carry out its duties, including access to the company secretariat for advice and assistance as required.

10.2 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.

10.3 Give due consideration to all relevant laws and regulations, as appropriate.

10.4 Ensure that a periodic evaluation of the committee's own performance is carried out.

10.5 At least annually, review the committee's 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.

11. Authority

11.1 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.

11.2 The committee does not have the authority to enter into any contract, whether actual or implied, for the appointment or removal of Directors

11.3 All matters shall be decided by a majority of votes. Every committee member present, including the Chair shall have one vote. In the event of a tie, or if there is any fundamental disagreement between members, this must be referred to the Board.

11.4 The Committee has delegated authority to scrutinize and approve or recommend for approval policies assigned to it under the Policy Governance Framework and Policy Delegations Schedule.