

# Board

## Terms of Reference

### 1. Purpose

- 1.1 The Board of Directors (the “Board”) is the decision-making body of the Ecology Building Society (the “Society”). The Board is responsible for the effective management and supervision of all the Society’s activities and exercises this responsibility collectively. These terms of reference (“Terms”) outline the roles of the Board, its members, how it exercises its responsibility, when and how frequently it meets, the identities of the voting members and the mechanisms by which it can delegate certain activities.
- 1.2 The Board is required to act in accordance with:
  - all applicable laws and regulations (including rules and guidance issued by the Society’s Regulators)
  - the Society’s constitutional documents, the Rules and Memorandum as approved by members from time to time, including referring specific matters to members for approval pursuant to relevant legislation and the Society’s Rules; and
  - the UK Corporate Governance Code, where appropriate and where the requirements are relevant to a building society.

### 2. Membership

- 2.1 All the Statutory Directors of the Society (Executive and Non-Executive) shall be members of the Board and the Board shall comply with the Society’s Rules (Rules) and Memorandum, as in force from time to time.
- 2.2 Appointments to the Board, including the terms of such appointments, shall be approved by the Board on the recommendation of the Nominations & Governance Committee, provided the Director meets the criteria for membership of the Board during the period of their appointment.
- 2.3 Any removal of a Director shall also fall within the scope of the Board’s authority.
- 2.4 In accordance with the Rules, at the first meeting following each Annual General Meeting (AGM) the Board shall elect, from the Non-Executive Directors, a Chair and a Deputy Chair who will hold office until the first Meeting of the Board held after the next AGM.
- 2.5 The members of the Board may invite other individuals to attend its meetings as observers. Only duly appointed Directors may vote at meetings.
- 2.6 Directors shall have appropriate knowledge, skills, and expertise to fully understand operating of the Society. The Board as a whole shall have competence relevant to the sector in which the Society operates.
- 2.7 In the absence of the Chair and/or an appointed deputy at a Board meeting, the remaining members present shall elect one of themselves to chair the meeting.

### **3. Secretary**

- 3.1 The Society's secretary, or their nominee, shall act as the secretary of the Board and will ensure that the Board receives information and papers in a timely manner to enable full and proper consideration to be given to relevant issues.

### **4. Responsibilities**

- 4.1 The Board is collectively responsible for:
- safeguarding members' interests (both current and future)
  - ensuring the Board and its Committees consider members and other stakeholders in all decisions.
  - monitoring progress in delivering the Society's strategic aims and business performance.
  - the success of the Society and having regard to the interests of other key stakeholders.
  - ensuring robust risk management systems and robust financial and internal controls are in place.
  - the Society's risk appetite after advice from the Risk & Conduct Committee.
  - ensuring that the Society operates within its Memorandum and Rules, the rules and guidance issued by relevant regulators, from time to time.
  - monitoring the Society's culture to ensure behaviours are demonstrated in line with the Society's ethical positioning.
- 4.2 The Board may at its discretion delegate any of its powers, duties and authorities relating to the business of the Society in accordance with its Rules, including without limitation to:
- one or more Directors, other Officer(s) and/or employee(s); and/or
  - any Committees consisting of such Director(s), other Officer(s) and/or employee(s); and/or
  - Board Committees, the responsibilities of which are documented within the Terms of Reference of each relevant Board Committee.

### **5. Decision Making/Quorum**

- 5.1 The quorum necessary for the transaction of business shall be 50% of the Board membership plus one members of which a minimum of two shall be non-executive directors.
- 5.2 Votes are passed with a simple majority. In the event of a tied vote the Chair has the deciding vote.

### **6. Frequency of Meetings**

- 6.1 The Board shall meet at least [four] times a year at appropriate times and otherwise as required to discharge its relevant business.

### **7. Notice of Meetings**

- 7.1 Meetings of the Board shall be called by the secretary of the Board at the request of the Board chair or any of its members if they consider it necessary.

- 7.3 Unless otherwise agreed, notice of each meeting confirming the venue, time, and date of the meeting, together with an agenda of items to be discussed, shall be forwarded to each member of the Board and any other person required to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to Board members and to other attendees, as appropriate, at the same time.
- 7.4 No later than 24hrs before the start of the meeting, the Directors shall receive information on the matters to be considered at the meeting. This pack shall consist of:
- Minutes of the previous meeting.
  - Reports from any sub-committee of the Board.
  - Management Information relating to the Society's operation including:
    - The Society's compliance with its Consumer Duty obligations
    - Details of complaints received.
    - Financial promotions approved or issued without approval.
    - Progress on the annual training plan for staff.
    - Number of customers.
    - Number of high-risk clients onboarded, and the EDD measures undertaken in the period.
  - Financial reports including:
    - Balance sheet at the end of the previous quarter.
    - Assessment of capital adequacy
    - Income statement
    - Liquidity assessment
  - Updates on the compliance monitoring programme
  - Any other information relevant to matters proposed to be discussed at the Meeting.
- 7.5 On an annual basis the Board shall receive a report from the MLRO on the adequacy of the procedures in place to prevent the facilitation of financial crime. This report shall be delivered at the first Meeting in each calendar year.

## **8. Minutes of Meetings**

- 8.1 The secretary shall minute the proceedings and decisions of all Board meetings, including recording the names of those present and in attendance.
- 8.2 Draft minutes of Board meetings shall be circulated to all members of the Board. Once approved, minutes should be circulated to all members of the Board.

## 9. Sub Committees

9.1 The primary sub-committees of the Board are the:

- Risk & Conduct Committee
- Audit & Compliance Committee
- Nominations & Governance Committee
- People, Remuneration & Culture Committee
- Environment & Society Impact Committee
- Core Management Committee

9.2 The purpose of each committee is set out in their respective Terms of Reference.

## 10. Effective Date

10.1 These Terms are effective from April 2023. The terms may be updated at a subsequent Meeting.

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