BOARD TERMS OF REFERENCE

1. Purpose

1.1 The Board of Directors (the "Board") is the decision-making and governing body of Ecology Building Society (the "Society"). The Board is responsible for the effective oversight 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.

The Board's role is to set the Society's culture and values, business strategy and risk appetite, to review performance, and ensure that the necessary resources are in place for it to meet its objectives.

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 on a comply or "explain" basis, 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.

2.2 Appointments to the Board, including the terms of such appointments, shall be approved by the Board on the recommendation of the Nominations 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 unless either shall cease in the meantime to be a Director or shall resign the office.

2.5 In the event that the Chair or Deputy Chair cease to be a Director or resign the office of Chair or Deputy Chair, the Board shall elect a Non-Executive Director to hold that office until the first meeting of the Board held after the next Annual General Meeting.

2.6 The members of the Board may invite other individuals to attend its meetings as observers. Only duly appointed Directors may vote at meetings.

2.7 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.

2.8 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.

2.9 The Chair of the Board is designated as SMF 9 – Chair, as part of the Senior Manager and Conduct Regime.

3. Secretary

3.1 The secretary of the Board 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:

- Adequate financial resources, including oversight and approval of the Society's of the ICAPP, ILAAP and Stress Scenarios
- Safeguarding members' interests (past, present and future) and the delivery of good customer outcomes
- Ensuring robust risk management systems and robust financial and internal controls are in place.
- Ensuring the Board and its Committees consider members and other stakeholders in all decisions.
- The Society's risk appetite, after advice from the Board Risk Committee, and on-going monitoring.
- Monitoring progress in delivering the Society's Medium-Term Plan and business performance
- The development of the Society's Impact Taxonomy Impact and Framework ensuring they align with prevailing regulations and good practice, and integrated within Ecology's Medium Term plan, values and purpose, to support the Society's long term sustainable success.
- Monitor the establishment of appropriate environmental and social related policies and procedures for incident reporting, code of practice and standards of business conduct. Review their adequacy and ongoing relevance and effectiveness and remain in compliance with national and international standards.
- Support the Board in monitoring the culture of the firm, through the potential social impact of its procurement and third-party outsourcing approach and the adequacy of its supply chain controls in relation to human rights risks, including modern slavery.
- The development of appropriate ESI strategic goals, short and long term (science based) targets, and key ESI metrics. Monitor annual and long- term progress against previously set ESI objectives, including public commitments with environment and social issues. Oversee the ongoing measurement and reporting of performance against key environmental and social metrics. This would include but not limited to net zero and climate risk balance sheet tolerances of the Society.
- 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.
- Approval and monitoring Tier 1 Board Policies

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

4.3 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 member 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

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.

7.2 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.

7.3 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 (see below)
- Any other information relevant to matters proposed to be discussed at the Meeting.

The provision of timely, accurate, complete and relevant management information, including the aggregation of exposures across businesses, is a fundamental component in supporting the Board to fulfil its duties and responsibilities. The nature, specific content and frequency of the management information provided to the board and its committees should be actively managed by the chair and non-executives, taking into account their particular needs.

7.4 Taking into consideration the Board approved Risk Appetite and Risk Management Framework, the Executive Management shall report to the Board at each Board meeting on relevant matters, including but not limited to:

- Strategic goals
- Operational performance including resilience, Consumer Duty and customer complaints
- Financial performance encompassing historic and forecast information, including financial sustainability KRIs
- Risk and regulatory compliance outcomes including Key Risk Indicators, MLRO reports and emerging risks
- Environment and social impact.

7. 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:

- Board Risk Committee
- Audit Committee
- Nominations Committee
- Remuneration Committee
- Core Management Committee

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

10. Decision Making and SMCR

10.1 Board directors are responsible for and bound by the decisions taken by the relevant Board whether or not they actively supported or participated in the decisions although dissent can be recorded.

10.2 A director who is a Senior Management Function (SMF) holder under the Senior Manager and Certification Regime (SMCR) remains individually accountable for their contributions to collective decisions and their implementation insofar as those contributions are in scope of their Senior Manager responsibilities and therefore they also remain accountable for taking reasonable steps in respect of their function and allocated responsibilities.

11. Effective Date

11.1 These Terms are effective from July 2026 and will be subject to review at least annually. The terms may be updated at a subsequent Meeting.

Version	Date	Owner / Author	Update
1.0	21 April 2023	Chair / Society Secretary	Terms of Reference approved by Board.
1.1	8 March 2024	Board Secretariat	Annual review by Board. No changes.
1.2	13 September 2024	Company Secretary	Reviewed as part of Risk Transformation work.
1.3	11 April 2025	CEO	Updated to reflect changes to Board Sub-Committees, removal of the reference to ESIC as a subcommittee, and inclusion of ESI activities
1.4	29 April 2025	CRO	Updated to reflect Board feedback (April out of cycle meeting). Removed ESI responsibilities from Audit Committee and added to Board ToR
1.5	05 July 2026	CEO	To take onboard updated nomenclature changes, SMCR updates and feedback

12.