



Terms of Reference Nomination Committee *Updated Jan 2018*

1 Membership and quorum

- 1.1 The Committee is appointed by the Board.
- 1.2 The Committee comprises the Society Chairman, Vice Chair and one other non-Executive Director
- 1.3 In the absence of the Committee Chair the remaining members present shall elect one of themselves to chair the meeting.
- 1.4 A quorum comprises two committee members.

2 Attendees

- 2.1 In addition to the committee members the following are in attendance
 - Chief Executive
 - Chief Risk Officer or deputy
 - Society Secretary
- 2.2 In the event of the Society Secretary being unavailable, the Chair will ask one of the attendees to be the Secretary for the meeting.
- 2.3 Other persons may attend all, or part, of any meeting at the invitation of the Committee Chair.

3 Frequency of meetings

- 3.1 Meetings are usually held four times a year, normally January, April, July, October.
- 3.2 The Chair can convene additional meetings if considered necessary.
- 3.3 A quorum is required for decisions to be made.

4 Notice of meetings

- 4.1 Meetings shall be scheduled annually in advance.
- 4.2 Ad hoc meetings shall be convened by the Society Secretary at the request of the Chair.
- 4.3 Supporting papers shall normally be circulated, by the PA to the Executive Directors, one week in advance of the meeting.

5 Minutes

- 5.1 The Society Secretary will take the minutes of the meeting.
- 5.2 Draft minutes will be provided to the Chair and once approved will be circulated to the other attendees.

6 Reporting

- 6.1 The Nomination Committee reports into the Board and the Risk Committee.
- 6.2 The Nomination Committee Chair will report on all material issues arising from the risk reviews to the next Risk Committee along with any recommendations of actions the Society should undertake.

7 Authority

8 Responsibilities

- 8.1 The Committee is responsible for succession planning and overseeing appointments to the Board. The Committee will therefore:
 - On an annual basis, review the Society's governance arrangements, including the structure and composition of Board committees, and evaluate the time commitment required of Non-Executive Directors in light of this review.
 - Define the Society's policy on diversity and assess the size and composition of the Board in order to ensure an appropriate diversity of skills, knowledge and experience. Decide on a target for the representation of the underrepresented gender on the Board and ensure that the Board's performance with respect to its diversity policy is communicated.
 - Agree the person specification, search criteria and method in order to attract the widest possible selection of suitable candidates from a broad range of backgrounds.
 - Assess the fitness and propriety of candidates for appointment to the position of Non-Executive Director, including their ability to devote sufficient time to the role and that they have no outside business interests that could result in a conflict of interest. Ensure records are retained as to why the candidate recommended is considered most suitable.
 - Approve changes to the Non-Executive Directors letters of appointment, ensuring that the letters set out clearly what is expected of the appointee in terms of time commitment, committee service and involvement outside board meetings, and that it contractually requires them to comply with the appropriate regulators' conduct rules.
 - Consider 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.
 - Review performance appraisals of the Board and Committees both individually and collectively. Collective performance is to be self-assessed by each Committee Chairman in an annual report. Make recommendations to the Board regarding the re-appointment of Directors.
 - Review performance appraisals of Directors and, via an annual appraisal process, assess the performance of the Chief Executive in attaining the objectives and targets set.
 - Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace, and maintain a plan for the orderly succession of Directors and other Senior Managers.
 - Review recommendations from the Chief Executive on the structure of Executive management and the high level allocation of responsibilities. Evaluate the structure of the organisation more generally and provide input to support the Board's strategic planning process.
 - Review executive reports on the sustainability and capability of the Society's staff.
 - Receive reports on the operation of the Senior Managers' Regime and the Certification Regime. Approve / ratify / review changes to the Management Responsibilities Map.
 - Approve role profiles and service contracts of Executive Directors.
 - Consider any changes in Directors' other commitments and report to the Board accordingly.

- Consider reports and recommendations from the Chief Risk Officer regarding pertinent risks and controls from the Nomination risk register.
 - challenging their assessment and measurement
 - monitoring the actions being taken to manage these risks
 - considering external risk indicators and emerging risks.
- Report on all material issues arising from the risk reviews to the next Risk Committee along with any recommendations of actions the Society should undertake.
- Arbitrate on conflicts of interest should they arise on the Board.
- Review (annually) the Committee’s terms of reference and the quality and content of Management Information provided to the Committee.
- Explain on the Society’s website how it complies with the requirements of Chapter 6 of the General Organisational Requirements Part of the PRA Rulebook relating to Nomination Committees.

9 MI Reports

9.1 The following reports shall be provided for each meeting:

- Risk review

10 Rolling agenda

10.1 The Chair determines the agenda for each meeting, in conjunction with a relevant member of the Executive team.

10.2 In addition to the MI reports detailed above, there is a rolling agenda as follows:

| Specific topics | |
|------------------------|--|
| Jan | <ul style="list-style-type: none"> ▪ Non-Director appraisals ▪ Board effectiveness review ▪ Succession plan ▪ Review Committee terms of reference ▪ Structure and membership of committees ▪ Risk review |
| Apr | <ul style="list-style-type: none"> ▪ Operation of the Certification regime ▪ Management information review ▪ Risk review |
| Jul | <ul style="list-style-type: none"> ▪ Risk review |
| Oct | <ul style="list-style-type: none"> ▪ Management responsibilities map review ▪ Corporate governance disclosures including Board diversity policy review ▪ Risk review |