

Terms of Reference Nomination Committee *Updated May 2020*

1 Membership and quorum

- 1.1 The Committee is appointed by the Board.
- 1.2 The Committee comprises the Society Chairman, Vice Chair and two other non-Executive Directors
- 1.3 In the absence of the Committee Chair the remaining members present shall elect one of themselves to chair the meeting.
- 1.4 The Society Chairman shall not normally chair the Committee when it is dealing with the succession to the role of Society Chairman.
- 1.5 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
 - Head of HR and People Development
 - 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 chair formally reports proceedings from each meeting to the Board.
- 6.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit.

7 Authority

The Committee is authorised to:

- 7.1 Seek any information it requires from any Society employee in order to perform its' duties.
- 7.2 Obtain, at the Society's expense, outside legal or professional advice on any matters within its Terms of Reference.

8 Responsibilities

- 8.1 The Committee is responsible for succession planning and overseeing appointments to the Board.

The Committee will therefore:

8.1.1 Composition and governance

- Regularly review the Society's governance arrangements, including the structure and composition of Board committees (including skills, knowledge, experience and diversity) and evaluate the time commitment required of Non-Executive Directors
- 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.
- Maintain a plan for the orderly succession of Directors and other Senior Managers, taking into account the current and future strategic and operational requirements of the Society.

8.1.2 Appointments

- Agree the person specification (taking account of the balance of skills, knowledge, experience and diversity on the Board), search criteria and recruitment method in order to attract the widest possible selection of suitable candidates from a broad range of backgrounds and consistent with the Society's culture.
- Consider candidates from a diverse range of backgrounds and experience adhering to the Society Diversity Statement and ensure that there is no discrimination in the selection, interview or appointment of board members
- Assess the fitness and propriety of candidates for appointment to the position of Director. For non-Executive this should include 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.
- Ensure that an induction training programme is in place for new Non-Executive Directors and Board Executive appointments

8.1.3 Other

- 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.
- 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. 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.
- Review the training and development of Board members to ensure their skills and knowledge are current and relevant.
- 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.
- 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.
- Consider any changes in Directors' other interests and commitments and report to the Board accordingly. This includes any conflicts arising in accordance with the Conflicts of Interest policy. Arbitrate on conflicts of interest should they arise on the Board.
- Review the people strategy and consider if it is appropriately embedded.
- Review the executive reports on the sustainability and capability of the Society's employees.
- Provide oversight of the scope and embedding of the Society's HR policies.
- Annually review the Committee's terms of reference and the quality and content of Management Information provided to the Committee.
- Explain in the Report and Accounts, published 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.

8.1.4 Senior Managers Regime

- Receive reports on the operation of the Senior Managers' Regime and the Certification Regime. Review changes to the Management Responsibilities Map.
- Approve role profiles and service contracts of Executive Directors.

8.1.5 Recommendations to Board

The Committee shall review and make recommendations to the Board for approval in relation to:

- Appointment of the Chairman and Vice-Chair of the Society
- Appointment and dismissal of Directors and Officers
- Appointment of an individual as a Director to fill a casual vacancy, or to represent the Society on the Board of any subsidiary or connected undertaking.
- The Executive structure.
- HR Policy
- Management Responsibilities Map

8.2 The Committee Chair may determine, in the interest of openness, for some matters to be discussed by the Board.

9 MI Reports

- 9.1 The following reports shall be provided for each meeting:
- Employee report detailing leavers in the quarter.

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	<i>Reviewed by</i>	<i>Approved by</i>
Jan	▪ Non-Director appraisals	<i>Nomination</i>	<i>n/a</i>
	▪ Board effectiveness review	<i>Nomination</i>	<i>n/a</i>

	<ul style="list-style-type: none"> ▪ Succession plan 	<i>Nomination</i>	<i>Board</i>
	<ul style="list-style-type: none"> ▪ Review Committee terms of reference 	<i>Nomination</i>	<i>Board</i>
	<ul style="list-style-type: none"> ▪ Structure and membership of committees 	<i>Nomination</i>	<i>Board</i>
	<ul style="list-style-type: none"> ▪ Fitness and Propriety regulatory returns review 	<i>Nomination</i>	<i>n/a</i>
Apr	<ul style="list-style-type: none"> ▪ Operation of the Certification regime 	<i>Nomination</i>	<i>n/a</i>
	<ul style="list-style-type: none"> ▪ Management information review 	<i>Nomination</i>	<i>Nomination</i>
Jul	<ul style="list-style-type: none"> ▪ HR Policy review 	<i>Nomination</i>	<i>Board</i>
	<ul style="list-style-type: none"> ▪ Review the non-executive director standard letter of appointment 	<i>Nomination</i>	<i>Nomination</i>
Oct	<ul style="list-style-type: none"> ▪ Management responsibilities map review 	<i>Nomination</i>	<i>Board</i>
	<ul style="list-style-type: none"> ▪ Corporate governance disclosures including Board diversity policy review 	<i>Nomination</i>	<i>Board</i>
	<ul style="list-style-type: none"> ▪ People plan review 	<i>Nomination</i>	<i>Nomination</i>