

Purpose	The role of the Board Nominations Committee is to regularly review the structure, size and composition of the Board and make recommendations with regard to any changes, to ensure that the Board has an appropriate balance of knowledge, skills and experience to lead the business. It oversees succession planning both at Board and Senior Management level and ensures that the Board's performance is evaluated.
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1. Membership and Attendance:

- 1.1 The Committee shall comprise at least three members from amongst the Society's non-executive directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, individuals such as the Chief Executive and external advisers may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 1.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.
- 1.4 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.
- 1.5 Members of the Board may participate in a meeting by means of a conference call where all persons participating can hear each other at the same time and participation by such means shall constitute presence at a meeting

2. Secretary

- 2.1 The Chairman shall nominate the Secretary of the meeting.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be three members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least once a year and otherwise as required.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be arranged by the Secretary at the request of the Committee Chairman
- 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, any other person required to attend and all other non-executive directors no later than 5 working days before the date of the meeting. Supporting papers shall be sent electronically 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 resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated promptly to the Chairman of the Committee. Once approved, minutes should be circulated to all other members of the Board

unless it would be inappropriate to do so.

7. Annual General Meeting

- 7.1 The Committee Chairman should attend the Annual General Meeting to answer any member questions on the Committee's activities.

8. Duties

The Committee shall consider and make recommendations to the Board in respect of:

- 8.1 the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board
- 8.2 succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Society and the skills and expertise needed by the Board in the future
- 8.3 reviewing the leadership needs of the Society, at both executive and non-executive levels, with a view to ensuring the continued ability of the Society to compete effectively in the marketplace
- 8.4 keeping up to date and fully informed about strategic issues and commercial changes affecting the Society and the market in which it operates with regard to recruitment and governance changes
- 8.5 identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise
- 8.6 evaluating the balance of skills, knowledge, experience and diversity of the Board and in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment before any appointment is made by the Board. In identifying suitable candidates the Committee shall:
- 8.6.1 use open advertising or the services of external advisers to facilitate the search
- 8.6.2 consider candidates from a wide range of backgrounds
- 8.6.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough available time to devote to the position
- 8.7 for the appointment of a Chairman, prepare a job specification, including the time commitment expected. The other commitments of a proposed Chairman should be disclosed to the Board before appointment and any changes to the Chairman's commitments should be reported to the Board when they arise
- 8.8 prior to the appointment of a director, require the proposed appointee to disclose any other business interests which may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest
- 8.9 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 their Senior Management Responsibilities, time commitment, Committee service and involvement outside Board meetings
- 8.10 review the results of the Board performance evaluation process which relate to the composition of the Board
- 8.11 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 properly fulfil the required duties.
- 8.12 work and liaise as necessary with all other Board Committees
- 8.13 Receive an annual report from the Secretary, confirming that Board members remain fit and proper persons to be Directors and Approved Persons under the requirements of the PRA and FCA

The Committee shall also make recommendations to the Board concerning:

- 8.14 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive
- 8.15 suitable candidates for the role of Senior Independent Director
- 8.16 membership of the Audit and Remuneration Committees and any other Board Committees as appropriate in consultation with the chairmen of those Committees
- 8.17 the re-appointment of any non-executive director at the conclusion of his/her specified term of office having given due regard to performance and his/her ability to continue to contribute to the Board in the light of the knowledge, skills and experience required. That in exceptional circumstances it is deemed that a non-executive director should remain on the Board for longer than nine years, annual re-election by the membership will be sought.
- 8.18 the re-election by members of any directors under the provisions of the Revised UK Corporate Governance Code or the retirement by rotation having due regard to performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years)
- 8.19 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 his/her service contract
- 8.20 the appointment of any director to executive or other office

9. Reporting Responsibilities

- 9.1 The Committee Chairman shall report to the Board after each meeting on all matters within its duties and responsibilities.
- 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
- 9.3 The Committee shall produce a report to be included in the Society's Annual Report and Accounts about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and accounts and a statement made as to whether it has any connection with the Society. The report should also include a statement of the Board's policy on diversity including gender, any measurable objectives it has set for implementing the policy and progress on achieving those objectives.

10. Other matters

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Society Secretary for 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 laws and regulations, the provisions of the Revised UK Corporate Governance Code and any other rules or regulations which may apply.

11. Annual Review and Evaluation

- 11.1 On an annual basis review the Terms of Reference noting their effectiveness and make appropriate recommendations for change.
- 11.2 Ensure the Board reviews the Committee's effectiveness on an annual basis.

12. Authority

- 12.1 The Committee is authorised by the Board to obtain, at the Society's expense, external legal or other professional advice on any matters within its Terms of Reference.