

## Terms of Reference - Nominations Committee

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### Composition

- The Committee is a sub-committee of the Board of Directors of the Society and operates on authority delegated to it by the Board and will report to the Board on its recommendations.
- The Committee shall comprise the Chairman and Vice-Chairman of the Board of Directors, and the Chief Executive. A quorum of the Committee shall be three of its members. If one of the Committee cannot attend, one other Non-Executive Director may attend.
- The Chairman of the Board or, in his absence, the Vice-Chairman, shall be the Chairman of the Nominations Committee.
- The Board of Directors is responsible for appointing additional or replacement members of the Committee following recommendations from the Chairman of the Board.

### Terms of Reference

- The Committee will meet at least 2 times per year and at such other times as the Chairman considers appropriate to consider prospective candidates to the Board.
- The Committee will review the composition of the Board to ensure that it comprises, in accordance with Rule 24, a sufficient number of Directors who are fit and proper to meet the criteria of prudent management as set out in Section 45 of the Building Societies Act (the Act) and Section 3 ("Boards and Management") of the Prudential Sourcebook for Building Societies.
- The Committee will consider the succession planning for the Board to ensure that there is continuity of the collective capability and capacity of the Board to meet the requirements of the Society's Rules, the Act and the Prudential Sourcebook issued by the Society's Regulator. As part of these arrangements to meet this objective, the Committee will establish such lists of, and information about, potential eligible candidates as it considers appropriate.
- Before any candidate is appointed to the Board, the Committee will appraise the candidate by reference to written and oral evidence (to include an interview of the candidate) to establish that they:
  - Enhance the constitution of the current Board, particularly with respect to the matters set out in Section 3 of the Prudential Sourcebook;
  - Meet the eligibility requirements set out in the Society's Rule 13, and the qualification requirement in Rule 14; and
  - Are fit and proper, specifically within the terms of Section 45(8) of the Act, and Section 3 of the Prudential Sourcebook.
- The Committee will establish that details of proposed candidates are brought to the attention of the Society's Regulator.

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- If a member nominated candidate is considered to be not fit or proper as a director, the Committee shall ensure that this matter is brought to the immediate attention of the Society's Regulator and to the Membership prior to the election of the candidate.
  - If a membership candidate whom the Committee considers is not fit and proper is elected by the membership, the Committee shall ensure that this is brought to the immediate attention of the Society's Regulator and shall make arrangement for an immediate meeting of the Board of Directors to consider a request by the majority of Directors, under the Society's Rule 24, for the elected director to cease to hold office.
  - The Committee will make recommendations to the Board for the appointment of directors to the Society's subsidiary or associated companies, having regard to the aptitude, skill and qualifications of candidates.
  - The Committee will make recommendations to the Board in connection with the representations on behalf of the Society, by the Society's Directors or staff, on Trusts, Trade Associations or Other Formal organisations which are connected with the Society's business or reputation.
  - The Committee shall ensure that there are proper mechanisms in place for the communication of changes in Board composition to staff, the media, trade bodies and industry commentators.