

NOMINATIONS COMMITTEE TERMS OF REFERENCE – DEC 25 – NOV 26

Version Control

No.	Version	Owner	Date
1.0	Document creation	Co-Sec	Jun 23
1.1	Review 2024	Co-Sec	Nov 24
2.0	Approved	Co-Sec	Nov 24
3.0	Changed Committee to Nominations Committee – Governance elements removed and allocated to the Board.	Co-Sec	Dec 25

Approval Control

Version	Body	Action	Owner	Date
1.1	Nominations and Governance Committee	Recommend	Co-Sec	Jun 23
1.1	Board	Approve	Co-Sec	Aug 23
2.0	Nominations and Governance Committee	Recommend	Co-Sec	Nov 24
2.0	Board	Approve	Co-Sec	Nov 24
	Nominations Committee	Recommend	Co-Sec	June 26
	Board	Approve	Co-Sec	

THIS IS A CONTROLLED DOCUMENT – PDF BEFORE SHARING

These Terms of Reference are reviewed on an annual basis and will be approved at the end of each financial year in readiness for the year ahead.

Contents

Introduction	Error! Bookmark not defined.
1. Membership	2
2. Secretary.....	3
3. Quorum	3
4. Frequency of meetings	3
5. Notice of meetings.....	3
6. Minutes of the meeting	4
7. Engagement with members	4
8. Duties.....	Error! Bookmark not defined.
9. Reporting Responsibilities	4
10. Other Matters	6
11. Authority	6

Introduction

The Nominations Committee (Committee) is a committee of the Board of Directors of Hinckley and Rugby Building Society (Society). The Committee supports the Board by leading the process for Board and, where relevant, senior management appointments; keeping succession plans under review; overseeing the development of a diverse and effective pipeline of candidates; and making recommendations to the Board on matters relating to Board composition, committee membership, re-appointment, re-election, tenure, independence, fitness and propriety, and time commitment. In discharging its responsibilities, the Committee shall have regard to the Society's mutual purpose, strategy, values, risk profile and prudential obligations, including relevant expectations in the PRA Rulebook, PRA Supervisory Statement SS5/16 on corporate governance and the UK Corporate Governance Code, applied proportionately to the Society's size and complexity

1. Membership

- 1.1. The Committee shall comprise at least three directors. A majority of the members of the committee shall be independent Non-Executive Directors.
- 1.2. Appointments to the Committee are made by the Board on the recommendation of the Nominations Committee.

- 1.3. Only members of the committee have the right to attend Committee meetings. However, the Chief Executive Officer, Chief People Officer and Company Secretary will be invited to attend meetings of the Committee on a regular basis and other individuals may be invited to attend all or part of any meeting as and when appropriate. No individual shall be present when their own appointment, re-appointment, succession, performance, independence, remuneration interface, fitness and propriety, or potential conflicts are being discussed.
- 1.4. The Board shall appoint the Committee Chair who should be either the Chair of the Board or an Independent Non-Executive Director. In the absence of the Committee Chair, 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. The Chair of the Board shall not Chair the Committee when it is dealing with the matter of succession of the Chair of the Board.

2. Secretary

The Company Secretary, or their nominee, shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3. Quorum

The quorum necessary for the transaction of business shall be two members.

- 3.1. A decision of the Committee may be taken by written resolution or via electronic means. A decision in this instance will be valid only if taken by a quorum as set out in the terms of reference
- 3.2. The members of the Committee shall be deemed to meet together if they are in separate locations, but are linked by conference telephone, video or other communication equipment. For the avoidance of doubt, a quorum in such event shall be as set out in 3 above. Such a meeting shall be deemed to take place where the largest group of members of the Committee participating is assembled or, if there is no such group, where the Chair of the meeting is located.

4. Frequency of meetings

The Committee shall meet at least three times a year and otherwise as required to discharge its responsibilities, including when considering Board succession, appointments, re-appointments, annual re-election and any regulatory approval matters.

5. Notice of meetings

- 5.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any of its members.
- 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 and any other person required to attend no later than six clear days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

6. Minutes of the meeting

- 6.1. The Secretary, or their nominee shall minute the proceedings, actions and decisions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2. The draft minutes of Committee meetings shall be circulated to all members of the Committee and approved at the following meeting.

7. Engagement with members

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

8. Duties

Board composition and succession

- 8.1 Review at least annually the structure, size and composition of the Board and its committees, including the balance of skills, knowledge, experience, independence and diversity, and make recommendations to the Board on any changes required.
- 8 Keep under review succession for the Chair, Directors, Board members, Committee Chairs and where appropriate, Senior Management, including contingency arrangements for the unexpected loss of key individuals and planned transition arrangements
 - 8.2 Keep the Board skills matrix and succession pipeline under review and assess current and future capability requirements against the Society's strategic priorities, member proposition, operating model, risk profile and regulatory expectations.
 - 8.4 Oversee the development of a diverse pipeline for succession and support appointment processes that are merit-based, objective and promote effective challenge and sound decision-making.

Appointments, re-appointments and regulatory assessment

- 8.5 Lead the process for identifying and nominating candidates for appointment to the Board and, where relevant, for recommending appointments to Board committees.
- 8.6 Before any appointment is recommended, evaluate the balance of skills, knowledge, experience, independence and diversity on the Board and prepare a role specification describing the capabilities, expected time commitment and behavioural expectations for the appointment.
- 8.7 Ensure candidates are assessed on merit and against objective criteria and that appropriate due diligence is undertaken, including assessment of fitness and propriety, honesty, integrity, reputation, competence, capability and financial soundness, in line with regulatory requirements.
- 8.8 Support the Board in relation to appointments requiring regulatory approval and keep under review the allocation of responsibilities, Statements of Responsibilities and related governance documentation relevant to the Senior Managers and Certification Regime.

8.9 Review re-appointments, re-election recommendations and tenure, taking into account performance, independence, time commitment, continuing suitability and the need for progressive refreshment of the Board.

8.10 Ensure prospective and serving directors disclose external appointments and actual or potential conflicts of interest relevant to their role, and make recommendations to the Board where action or authorisation is required.

9. Reporting Responsibilities

The Committee shall report to the Board on its proceedings after each meeting and shall make recommendations to the Board on matters within its remit, including:

:

9.1 Any changes needed to the Board and Senior Management Succession Plans;

9.2 Suitable candidates as new directors and succession for existing directors.

9.3 Membership of the Board committees as appropriate, in consultation with the chair of those committees.

9.4 The re-appointment of Non-Executive Directors at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of knowledge, skills and experience required.

9.5 recommendations for re-election by members of Directors, including why each Director's contribution continues to be important to the Society's long-term sustainable success;

9.6 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 company subject to the provisions of the law and their service contract.

9.7 The appointment of any Director to Executive or other office.

9.8 The committee shall produce a report to be included in the Society's annual report describing the work of the nomination committee, including:

9.8.1 the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline

9.8.2 how Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the board and individual directors, the outcomes and actions taken, and how it has influenced or will influence board composition

9.8.3 the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives, and the gender balance of those in the senior management team and their direct reports.

9.8.4 If an external search consultancy has been engaged, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors.

9.8.5 An explanation of why any Non-Executive Director has served for longer than nine years.

9.9 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

Conduct an annual review of the Conflicts Register and review any disclosure relating to conflicts of interest to be made public. To review and recommend Board policies and documents:

- a. Conflicts of Interest Policy (and controls oversight)
- b. Equality Diversity and Inclusion Strategy and Targets
- c. Board Skills Matrix
- d. Policy Framework
- e. The Succession Plan

10 Other Matters

- 10.1 The Chair will lead on the annual performance evaluation of the Committee.

11 Authority

- 11.1 These Terms are the responsibility of the Board and cannot be delegated
- 11.2 These Terms will be reviewed and approved on an annual basis at the end of each financial year