



NOMINATIONS COMMITTEE

TERMS OF REFERENCE

1 **Membership and Attendance**

The Nominations Committee shall have a minimum of four members. The Chair and the non-executive director members of the Committee shall be appointed by the Board from amongst the non-executive Directors. The Chief Executive shall also be a member of the committee. The quorum for the Committee shall be two non-executive director members.

The Deputy Chief Executive & Finance Director shall normally attend meetings at the invitation of the Committee. Any other member of staff may be invited to attend at the request of the Committee.

2 **Committee Secretary**

The Society Secretary or his nominee shall act as Committee Secretary with the agreement of the Chair of the Committee.

3 **Frequency of Meetings**

The Committee shall normally meet at least three times each year and otherwise as required. Additional meetings may be held at the request of any member of the Committee. The Committee Secretary agrees a programme of dates and agendas with the Committee Chair at the start of each year.

4 **Minutes of Meetings**

The Secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee. The Minutes of meetings of the Committee shall be circulated to the Board on a timely basis, summarising the work undertaken by the committee including any conclusions drawn and actions either taken or to be taken.

Any changes to the Declaration of Interest Log, or conflicts of interest declared that are specific to items on the agenda for a meeting will be minuted.

5 **Authority**

The Committee is a Committee of the Board of Directors (the 'Board') of Progressive Building Society (the 'Society') from which it derives its authority and to which it regularly reports.

The Committee has delegated authority of the Board in respect of functions and powers in these Terms of Reference. The Committee may sub-delegate any or all of its powers and authority as it sees fit, including, without limitation the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.



The Committee has authority to investigate any matter relating to nominations matters within the Society. It also has authority to obtain any information as it may require from any Director, officer or employee of the Society.

The Committee has authority to engage independent counsel and other professional advisers at the expense of the Society and to invite them to attend meetings.

The Committee is authorised to review and make recommendation to the Board.

6 **Purpose and Duties**

The Board has established a committee to be known as the Nominations Committee to support it in achieving its objectives.

The Committee shall:

- at least annually review the structure, size, composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board regarding any changes
- give full consideration to succession planning for directors and senior managers, taking into account the challenges and opportunities facing the Society, and the skills and expertise needed on the Board in the future
- keep under review the leadership needs of the Society, both executive and non-executive, with a view to ensuring the continued ability of the Society to compete effectively in the marketplace while being mindful of the Society's culture and conduct
- be responsible for identifying and nominating for approval of the Board, candidates to fill Board vacancies as and when they arise. Evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. The Committee will also ensure that the Society meets its regulatory and legal obligations with regard to appointments. In identifying suitable candidates, the committee shall
 - normally use open advertising or the services of external advisers to facilitate the search
 - consider candidates from a wide range of backgrounds
 - 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 time available to devote to the position
- prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could



result in a conflict of interest and 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 time commitment, role description, committee service and involvement outside Board meetings. This letter should also clearly highlight the requirement to continually hold £1,000 in a Society savings account to qualify as a director.

- at least annually assess the knowledge, skills and experience of the Board collectively to see if this suits the ongoing needs of the Board and report this to the Board
- review the results of the Board performance evaluation process that relate to the composition of the Board
- review annually the time required from non-executive directors
- discuss any potential new external Board appointments put forward from a NED. Prior to the meeting the NED should notify the Nominations Committee Chair with details of the position being considered, time requirements and any potential conflicts of interest
- Review annually the policy for appointment and reappointment of non-executive Directors (the Board Succession Plan)
- periodically review the policy for selection and appointment of senior management and make recommendations to the Board
- work and liaise as necessary with all other Board members

The committee shall also make recommendations to the Board concerning

- formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chair, vice chair and chief executive
- the appointment of the Chair of the Board
- suitable candidates for the role of senior independent director
- membership of the audit, risk, member engagement & conduct and personnel & remuneration committees in consultation with the chair of those committees
- the process of the review of the tenure of appointments for all non-executive appointments including the role of chair
- the re-appointment of any non-executive director 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, experience and independence required and the need for progressive refreshing of the Board. A non-executive director who is a member of the Nominations Committee will not be in attendance when the committee is giving consideration to whether their appointment should be extended for another term.



- the reappointment for a further term for chair and vice-chair at the conclusion of their initial terms of office. The chair or vice-chair will not be in attendance when the committee is giving consideration as to whether their appointment for a further term should be recommended to the board
- 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

7 Reporting responsibilities

- the committee chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities
- the committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed
- the committee shall detail, in the Annual Report and Accounts, its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external agency has been used, it shall be identified, and a statement made as to whether it has any connection with the Society
- the Annual Report should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

8 Other matters

The committee shall:

- have access to sufficient resources in order to carry out its duties, including access to the Society Secretary for assistance as required
- be provided with appropriate and timely training, both in the form of an induction programme for new members and an ongoing basis for all members
- give consideration to the relevant laws, regulations, Corporate Governance Code and the Society's Rules as applicable
- arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval



9 **Availability**

These terms of reference are required to be made available on request to Members.

January 2019