

Terms of Reference for the Nomination Committee

Report title	Terms of Reference for the Nomination Committee
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NBS Purpose	Together we fight for the extra ordinary to own their own home
Purpose of this paper	To undertake the annual review of the Board Audit Committee Terms of Reference.
Actions	Board is requested to RECOMMEND FOR APPROVAL its Terms of Reference of Nomination Committee.
External references	N/A
Governance route and signoffs including changes as a result	Recommended for approval by Board 14 th June 2022



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 committee and shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the director still meets the criteria for membership of the committee.

1.3 Only members of the committee have the right to attend committee meetings. However, other individuals such as the chief executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

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 Society 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 and voting

3.1 The quorum necessary for the transaction of business shall be two both of whom must be independent non-executive directors.

3.2 The quorum can comprise members of the committee attending in person or by telephone or online. A meeting can only be deemed quorate if all voting members have been invited to attend.

3.3 Each member of the committee is entitled to a single vote, which can be cast either in person at the meeting, or verbally (if joining by telephone or online) or by email prior to the meeting addressed to the chair of the committee.

3.4 Approval requires a simple majority. In the event of an even split vote, the chair or acting deputy has the option to exercise a casting vote. Invited guests attending the committee are not entitled to vote. The minutes should reflect all committee decisions, and specifically identify votes that are not unanimous.

3.5 A rapid decision protocol can be used to facilitate decision making outside of the scheduled meetings. Any use of the rapid decision protocol must be agreed with the chair of the committee (or in their absence, the acting deputy) prior to its use, and circulated by



the Society secretary (or in their absence, the nominated deputy) to all members and non-voting attendees of the committee.

3.6 Any decisions or approvals made using the rapid decision protocol are to be submitted to the next scheduled committee meeting, accompanied by a summary of events and the final decision, for inclusion in the minutes.

4. Frequency of meetings

The committee shall meet at least twice a year and otherwise as required.

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 five working 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 meetings

6.1 The secretary shall minute the proceedings and decisions of all committee meetings, including recording the names of those present and in attendance.

6.2 Draft minutes of committee meetings shall be circulated to all members of the committee. Once approved, minutes should be circulated to all other members of the board and the Society secretary unless, exceptionally, it would be inappropriate to do so.

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. In addition the committee chair should seek engagement with members on significant matters related to the committee's areas of responsibility.

8. Duties

The committee should carry out the duties below for the Building Society, subsidiary undertakings and the group as a whole, as appropriate.

The committee shall:

8.1 Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and make recommendations to the board with regard to any changes.

8.2 Ensure plans are in place for orderly succession to board and senior management positions, and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Society, and the skills and expertise needed on the board in the future.



8.3 Keep under review the leadership needs of the organisation, both executive and nonexecutive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

8.4 Keep up-to-date and fully informed about strategic issues and commercial changes affecting the Society and the market in which it operates.

8.5 Be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise.

8.6 Before any appointment is made by the board, 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 and the time commitment expected. In identifying suitable candidates the committee shall:

8.6.1 consider using open advertising or the services of external advisers to facilitate the search;

8.6.2 consider candidates from a wide range of backgrounds; and

8.6.3 consider candidates on merit and against objective criteria, having due regard to

the benefits of diversity on the board and taking care that appointees have enough time available to devote to the position.

8.7 Prior to the appointment of a director, other significant time commitments should be disclosed and any material additional future commitments should not be undertaken without prior approval of the board. The proposed appointee should also be required to disclose any other business interests that may result in a conflict of interest. These must be authorised by the board prior to appointment and any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the board.

8.8 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, committee service and involvement outside board meetings.

8.9 Review the results of the board performance evaluation process that relate to the composition of the board and succession planning.

8.10 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 fulfil their duties.

8.11 Work and liaise as necessary with other board committees, ensuring the interaction between committees and with the board is reviewed regularly.

The committee shall also make recommendations to the board concerning:

8.12 Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved.

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



8.14 Membership of the audit, risk and remuneration committees, and any other board committees as appropriate, in consultation with the chair of those committees.

8.15 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.

8.16 The re-election by members of directors under the annual re-election provisions of the UK Corporate Governance Code ("Code") or the retirement by rotation provisions in the Society's Rules, having due regard to their performance and ability, and why their contribution is important to the Society's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the board, taking into account the length of service of individual directors, the chair and the board as whole.

8.17 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.

8.18 The appointment of any director to executive or other office.

9. Reporting responsibilities

9.1 The committee chair shall report to the board after each meeting on the nature and content of its discussion, recommendations and action to be taken.

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, and adequate time should be made available for board discussion when necessary.

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

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

9.3.2 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;

9.3.3 the policy on diversity and inclusion, its objectives and linkage to Society strategy, how it has been implemented and progress on achieving the objectives; and

9.3.4 the gender balance of those in the senior management team and their direct reports.

9.4 Open advertising and/or an external search consultancy should generally be used for the appointment of the chair and non-executive directors. 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 Society or individual directors.



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 secretariat for advice and 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 all relevant laws and regulations, the provisions of the Code and associated guidance and any other applicable rules, as appropriate.

10.4 Ensure that a periodic evaluation of the committee's own performance is carried out.

10.5 At least annually, review the committee's 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.

10.6 Review the structure, size and composition (including the balance of skills, experience, independence, diversity and knowledge) of the board every 3 years as part of the externally lead board effectiveness review.

10.7 Review the Board Skills Matrix on an annual basis.

10.8 Ensure there is a formal process in place for performance reviews of both Executive and Non-Executive Directors.

10.9 Ensure that the responsibilities of the chair, chief executive, senior independent director, and other board members are set out in writing, agreed by the board and reviewed annually as part of the review of the Management Responsibilities Map.

11. Authority

The committee is authorised by the board to obtain, at the Society's expense, outside legal or other professional advice on any matters within its terms of reference.

