

Nomination Committee Terms of Reference

1. Membership

- 1.1. Members of the Committee shall be appointed by the board. The Committee shall be made up of three members, two of whom must be non-executive directors.
- 1.2. The board shall appoint a chair who shall be either the chair of the board or an independent non-executive director. The chair of the board shall not chair the Committee when it is dealing with the matter of succession to the chair of the board.

2. Quorum

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

3. Frequency of Meetings

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

4. Minutes of Meetings

- 4.1. The Secretary of the Society or his/her nominee will be responsible for recording the minutes of meetings.

5. Duties

- 5.1. The Committee shall:
 - 5.1.1 regularly review the structure, size and composition (including the skills, knowledge and experience) required of the board, compared to its current position and make recommendations to the board with regard to any changes;
 - 5.1.2 give full consideration to succession planning for members of the board and the chief executive, taking into account the challenges and opportunities facing the Society, and what skills and expertise are therefore needed on the board in the future;
 - 5.1.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
 - 5.1.4 before appointment is made by the board, evaluate the balance of skills, knowledge and experience on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for a

particular appointment. In identifying suitable candidates the Committee shall:

- i) use open advertising or the services of external advisers to facilitate the search;
- ii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;

5.1.5 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 market place;

5.1.6. review annually the time required from non-executive directors. (Performance evaluation will assist in assessing whether the non-executive directors are spending enough time to fulfil their duties - see 9.1); and

5.1.7 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.

5.2. The Committee shall also make recommendations to the board concerning:

5.2.1. formulating plans for succession for both executive and non-executive directors and in particular for the the key role of the board chair (but see 5.2.6 below);

5.2.3. membership of the Audit & Compliance and Remuneration Committees, in consultation with the chairs of those committees;

5.2.4. the re-election by members of any director under the 'retirement by rotation' provisions in the Society's rules having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;

5.2.5. any matters relating to the continuation in office of any director at any time including the suspension or termination of service of any executive director as an employee of the Society subject to the provisions of the law and their service contract; and

5.2.6. the appointment of any director or executive or other office other than to the positions of board chair and Chief Executive, the recommendation for which would be considered at a meeting of the full board.

6. Reporting Responsibilities

- 6.1. The Committee chair shall report formally to the board on its proceedings after each meeting on all matters relating to its duties and responsibilities.
- 6.2. The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 6.3. The Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

7. Annual General Meeting

- 7.1. The chair of the Committee shall attend the Annual General Meeting prepared to respond to any member questions on the Committee's activities.

8. Authority

- 8.1. The Committee is authorised to seek any information it requires from any staff member of the Society in order to perform its duties.

9. Review of Performance

- 9.1. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considered necessary to the board for approval.