

TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS OF FURNESS BUILDING SOCIETY

1. Principal Duties

The principal duties include

- Determining the strategy and policies of the Group;
- Setting out the guidelines within which the business is managed; and
- Reviewing business performance.

The Board also has a general duty to ensure that the Group operates within

- The Society's Rules;
- Rules and guidance issued by relevant regulatory authorities including the PRA and FCA; and
- All relevant laws.

2. Matters Reserved to the Board

Schedule of Matters Reserved for the Board and Statement of Delegated Mandates

Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees and in a separate document which is appended to this Terms of Reference.

4. Board Membership and Meetings

4.1 Membership

- Members of the Board shall be appointed by the Board, on the recommendation of the Nomination Committee, and shall be subject to election by the Society's members. The Society's members also have the right to nominate candidates for election to the Board. The majority of Board members shall be independent non-executive directors.
- Executive appointments to the Board shall be for a period of up to three years, which may be extended for further three year periods subject to election or re-election by the members of the Society.
- Non-Executive appointments to the Board shall be for a period of up to three years, which may be extended for further three year periods, subject to election or re-election by the members of the Society at the end of the first and second three year terms and annually thereafter.
- The Board shall appoint the Chairman and Vice Chairman at the first meeting immediately following the Annual General Meeting. At the time of appointment as Chairman, the director concerned shall be an independent non-executive director. In the absence of the Chairman and/or the Vice Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- The Board will consist of not more than 12 nor less than 8 Members.

4.2 Board Quorum and Meetings

- The Secretary of the Society shall act as the Secretary of the Board.

- The quorum necessary for the transaction of business shall be 5 members, with a majority of non-executive directors.
- The Board shall meet as often as it shall find necessary but shall hold a minimum of 10 meetings each calendar year.
- The Secretary shall minute the proceedings and resolutions of all meetings of the Board, including recording the names of those present and in attendance.
- The Secretary shall record any conflicts of interest declared at the meeting
- Minutes of Board meetings shall be circulated to all members of the Board before the next meeting of the Board.

4.3 **Annual General Meeting**

Members of the Board shall attend the Annual General Meeting, prepared to respond to any questions on the Board's activities.