

NOMINATIONS COMMITTEE TERMS OF REFERENCE – August 2017

1. MEMBERSHIP	
1.1	The Nominations Committee is a sub-committee of Furness Building Society Board of Directors.
1.2	<p>The Committee shall comprise at least four Directors. A majority of the committee shall be independent non-executive directors. Members of the Committee shall be appointed by the Board. The following shall be members of the Committee:</p> <ol style="list-style-type: none">1. Chairman of the Board2. Chairman of Remuneration Committee3. Chief Executive4. Non-Executive Director (as elected) <p>If a regular member is unable to attend, the Chairman of the Committee may appoint an alternative Non-Executive to attend during the period of absence.</p>
1.3	Only members of the committee have the right to attend committee meetings. Other directors, other members of the executive or management team, or representatives from internal or external audit may be invited to attend as and when appropriate and necessary.
1.4	The membership of the Committee is reviewed annually by the Society Board of Directors.
1.5	<p>The Chairman of the Board shall be appointed as the Committee Chairman. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.</p> <p>The Chairman of the Board shall not normally chair the meeting for any agenda item dealing with the Chairmanship where there is a potential conflict of interest.</p>
2. SECRETARY	
2.1	The Group Secretary shall act as the Secretary of the Committee.
3. QUORUM	
3.1	<p>The quorum necessary for the transaction of business shall be 3 members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p> <p>In the event of equal votes, the Chairman has the casting vote.</p>
4. FREQUENCY OF MEETINGS	
4.1	The committee shall meet at least four times per calendar year and at appropriate times as otherwise required.
5. NOTICE OF MEETINGS	
5.1	Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members, the Society Board, or at the request of the Society's Auditors if they consider it necessary.
5.2	A notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers shall be forwarded to each member of the Committee and any other person required to attend, generally no later than five working days before the date of the meeting.

6. MINUTES OF MEETINGS	
6.1	The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance and any conflicts of interest divulged at the meeting.
6.2	Draft minutes of Committee meetings shall be circulated to all members of the committee and to all other members of the Board unless it would be inappropriate to do so. Private minutes may be recorded in some circumstances for limited distribution.
6.3	Final signed copies of the minutes of the meetings of the Nominations Committee shall be maintained for the Society's records.
7. ANNUAL GENERAL MEETING	
7.1	The Committee chairman shall attend the annual general meeting to answer members questions on the committee's activities.
8.DUTIES	
The Committee shall carry out the duties below for the Society, subsidiary undertakings and Group as a whole, as appropriate and work and liaise as necessary with all other Board Committees.	
8.1	To periodically and at least annually consider the structure, size and composition of the Board (including the skills, knowledge, experience and diversity) and make recommendations for changes to the Board as appropriate (in accordance with SYSC 4.3A.9 (5)).
8.2	To periodically and at least annually consider Board, Executive and Senior Management succession planning taking into account the challenges and opportunities facing the Society and the skills and experience required on the Board for the future business needs and make recommendations to the Board (in accordance with SYSC 4.3A.9 (6) & (7)).
8.3	To review the leadership needs of the organization to ensure the continued success and sustainability of the Society and make recommendations to the Board (SYSC 4.3A.9 (8)).
8.4	To oversee the recruitment process of Board appointments (including SMF functions, Chief Risk Officer and Group Secretary) and be responsible for identifying suitable candidates (ensuring the evaluation of current/required skills, knowledge and experience has been undertaken) and make recommendations for preferred candidates to the Board (in accordance with SYSC 4.3A.3(2), (3) & 4.3A.9 (2)).
8.5	In identifying suitable candidates for Board vacancies, the Committee shall: <ul style="list-style-type: none"> • Consider using the services of a recruitment specialist • Prepare a role description including an assessment of time commitment (SYSC 4.3A.9 (3)) • Consider candidates on merit, against objective criteria and in accordance with diversity and equal opportunities policies and guidance (SYSC 4.3A.9 (1)) • Be satisfied that candidates meet 'fit and proper' test and competency and capability criteria (SYSC 4.3A.3 (1)) • Ensure candidates do not have any conflict of interest (SYSC 4.3A.3 (5) & 4.3A.5).
8.6	To make recommendations to the Board on the appointments and removal of Non-Executive and Executive Directors or other Senior Manager with SMF responsibilities, including the Chief Risk Officer and Group Secretary.
8.7	To oversee the performance appraisal of each Executive and Non-Executive Director in accordance with SYSC 4.3A.3).
8.8	To review and evaluate the results of the annual Directors performance evaluation process.
8.9	To provide oversight for the allocation of SMF functions and prescribed responsibilities as documented in the Management Responsibilities Map and the Statements of Responsibility.

8.10	To make recommendations to the Board regarding membership of the Board Committees, in consultation with the Chairs of those Committees and make recommendations to the Board regarding the proposed Committees Chairmanship.
8.11	To approve the election and re-election of Directors, subject to the rotation and re-election provisions of the Code and the AGM voting.
8.12	To ensure the members of the Board do not hold more Directorships than is appropriate taking into account individual circumstances and the Society's requirements (in accordance with SYSC 4.3A.5 & 4.3A.7).
8.13	To provide oversight of compliance with relevant regulatory requirements (SYSC) and guidance and the provisions of the UK Corporate Governance Code.
8.14	To report significant issues in relation to governance, policy, recruitment, regulatory matters or performance to the Board.
8.15	Approve the Society's Diversity policy which shall include a target for underrepresented gender in the management body if appropriate (in accordance with SYSC 4.3A.9 (1) & (4)).
9. REPORTING RESPONSIBILITIES	
The Committee shall:	
9.1	Report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities (excluding sensitive or confidential information).
9.2	Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
9.3	Produce an annual report to the Board on its activities to be included in the Society's annual report (in accordance with SYSC 4.3A.1).
9.4	Ensure appropriate availability of Terms of Reference of the Committee to members and staff.
9.5	To ensure the Nominations Committee report for inclusion in the Annual Report and Accounts (available on the Society's website) complies with the provisions of the UK Code & reports compliance with SYSC requirements. (SYSC 4.3A.11).
10. OTHER MATTERS	
The Committee shall:	
10.1	Have access to sufficient resources in order to carry out its duties, including access to the Chief Risk Officer & Group Secretary & Head of HR for 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 Committee members (in accordance with SYSC 4.3A.4).
10.3	Give due consideration to laws and regulations, the provisions of the Code and any other applicable Rules, as appropriate.
10.4	Oversee any investigation of activities which are within its terms of reference.
10.5	Arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval (SYSC 4.3A.9 (8)).
11. AUTHORITY	
The Committee is authorised to:	
11.1	Seek any information it requires from any employee of the Group in order to perform its duties.
11.2	Obtain, at the Society's expense, external legal or other professional advice on any matter within its terms of reference.
11.3	Call any employee to a meeting of the committee as and when required.