

BOARD OF DIRECTORS TERMS OF REFERENCE

1. MEMBERSHIP	
1.1	<p>The Board will consist of not more than 12 nor less than 8 members. The majority of the Board shall be independent Non-Executive Directors.</p> <p>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 by the Board.</p>
1.2	Executive appointments to the Board shall be for a period of up to 3 years, subject to annual re-election by the members of the Society.
1.3	Non-Executive appointments to the Board shall be for a term of up to 3 years, which may be extended for one further 3 year term, subject to annual re-election by the members of the Society. The Chair can be appointed for an initial term of 5 years and subject to a maximum term of 9 years. All appointments are subject to annual member re-election.
1.4	Only members of the Board have the right to attend Board meetings. Other individuals such as other members of the Executive or Management team, or representatives from the Internal or External Auditor may be invited to attend as and when appropriate and necessary.
1.5	The membership of the Board is reviewed annually by the Society's Board of Directors.
1.6	<p>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.</p> <p>The Chairman and Committee Chair appointments are subject to Prudential Regulation Authority (SMF) approval.</p>
1.7	In the absence of the Chairman and/or the Vice Chairman, the remaining members present shall elect one of themselves to chair the meeting.
1.8	The Board shall appoint one of the independent Non-Executive Directors to the Senior Independent Director.
2. SECRETARY	
2.1	The Group Secretary or their nominee shall act as the Secretary of the Board.
3. QUORUM	
3.1	The quorum necessary for the transaction of business shall be 5 members, with a majority whom must be Non-Executive Directors. A duly convened meeting of the Board 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 Board.
4. FREQUENCY OF MEETINGS	
4.1	The Board shall meet as often as it shall find necessary but shall hold a minimum of 10 meetings each calendar year (including strategy meetings).
5. NOTICE OF MEETINGS	
5.1	Meetings of the Board shall be called by the Secretary of the Board at the request of any of its members, the Society Board, or at the request of External or Internal Auditor 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 Board 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 Board, including recording the names of those present and in attendance and any conflicts of interest divulged at the meeting.
6.2	Draft minutes of Board meetings shall be circulated to all members of the Board.
6.3	Final signed copies of the minutes of the meetings of the Board should be maintained for the Society's records.
7. ANNUAL GENERAL MEETING	
7.1	All members of the Board should attend the Annual General Meeting to answer members' questions on the Board's activities.

8. DUTIES	
The Board shall carry out the principal duties below for the Society, subsidiary undertakings and Group as a whole, as appropriate:	
8.1	Determining the strategy and policies of the Group.
8.2	Setting out the guidelines within which the business is managed.
8.3	Ensuring business performance.
8.4	Establishing and monitoring the culture, values and ethics of the Group.
8.5	The Board also has a general duty to ensure that the Group operates within: <ul style="list-style-type: none"> • the Society's Rules; • rules and guidance issued by relevant regulatory authorities including the Prudential Regulation Authority and the Financial Conduct Authority; and • all relevant laws.
9. MATTERS RESERVED TO THE BOARD	
9.1	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.
10. MAINTAINING OPEN COMMUNICATIONS WITH THE REGULATOR	
10.1	The Board is committed to maintaining open and co-operative ongoing dialogue with the Prudential Regulation Authority and the Financial Conduct Authority. A list of Matters which the Board considers require communication to the Regulator is detailed in a separate document which is appended to this Terms of Reference.
11. REPORTING RESPONSIBILITIES	
The Board shall:	
11.1	Ensure appropriate availability of Terms of Reference of the Board to members and staff.
11.2	Ensure appropriate availability of the Annual Report & Accounts and Pillar 3 Disclosure.
12. OTHER MATTERS	
The Board shall:	
12.1	Have access to sufficient resources in order to carry out its duties, including access to the Chief Risk Officer and Chief Compliance Officer & Group Secretary for assistance as required.
12.2	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.
12.3	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.
13. AUTHORITY	
The Board is authorised to:	
13.1	Seek any information it requires from any employee of the Group in order to perform its duties.
13.2	Obtain, at the Society's expense, external legal or other professional advice on any matter within its Terms of Reference.
13.3	Call any employee to be questioned at a meeting of the Board as and when required.

Appendix 1 - Key Risk Documents

Policy
Approval - TFRMP
Approval – Corporate Plan
Approval – Statement of Risk Appetite
Approval – Cyber Security Policy
Approval – AR&A
Approval – Pillar 3
Approval – Health & Safety Policy
Approval – Arrears Policy
Approval – ILAAP
Approval – Annual Limits Review
Approval – Retail Credit Risk Policy
Approval – RRP
Approval – ICAAP
Approval – Delegated Mandates
Approval – Group Risk Policy