

British Friendly Society

Nomination Sub-Committee

Terms of Reference

1. Introduction

- a) The Nomination Sub-Committee (“the Sub-Committee”) is a Sub-Committee of the British Friendly Society (“the Society”)’s Board (“the Board”), which is the primary decision making body of the Society. The Board and all of its sub-committees are established pursuant to the Society’s Articles of Association (“the Articles”) and, unless specifically stated otherwise, the terminology, words or expressions used in these Terms of Reference have the same meaning as in the Articles.

2. Membership

- a) The Sub-Committee shall consist of its Chairman and two further Non Executive Directors of the Board.
- b) The Board shall appoint one of its Non Executive Directors (but excluding the Chairman of the Board) as Chairman of the Sub-Committee.
- c) With the exception of the Executive Director, members of the Sub-Committee shall be appointed for a three year term and will normally be eligible for re-election once.
- d) Only members of the Sub-Committee shall have the right to attend meetings. The Executive Directors will normally attend in an advisory capacity and will not have any right to vote on any issue being considered by the Sub-Committee.
- e) Other Board members or Senior Management can attend meetings at the Sub-Committee’s invitation.

3. Role of the Sub-Committee

- a) The Sub-Committee has responsibility for advising the Board on the following matters:
 - ensure that there is an effective and robust talent management programme in place for all levels of employees in conformity with the strategic aims of the Society;
 - ensure the continual relevant personal development of Board members in conformity with the strategic aims of the Society;
 - proposing suitable candidates for appointment to Senior Insurance Management Functions (“SIMF”), Controlled Function (“CF”) and Key Function Holder (“KFH”) roles (collectively known as “regulatory roles”);
 - assessing the performance of the Non-Executive Directors retiring by rotation and, where appropriate, recommending their re-election to, or dismissal from, the Board;
 - formulating plans for succession of both Executive and Non Executive Directors and in particular the key roles defined by the Senior Insurance Managers Regime (“SIMR”);

- reviewing membership of the Board's other Sub-Committees, including the Chairman of those Sub-Committees;
 - identifying and recommending suitable candidates for appointment to the Board's Sub-Committees; and
 - reviewing the Society's SIMR procedures and recommending such procedures, together with any relevant amendments, to the Board for approval.
- b) Mindful of the requirements for any Director who will be performing a regulatory role, the Sub-Committee shall select and propose candidates having due regards to:
- specific requirements identified from the skills analysis for individuals with particular skills or experience;
 - a candidate's fitness, propriety and ongoing business conduct based on the results of the checks, including DBS Checks, carried out under the SIMR procedures;
 - a candidate's business interests that could result in a conflict of interest; and
 - the amount of time required for the role and the candidates ability to commit sufficient time.
- c) The Sub-Committee shall:
- ensure that on appointment to the Board, or any of the Board's Sub-Committees, a Non- Executive Director receives (I) a formal letter of appointment setting out what is expected of him/her in terms of time, commitment, service and involvement and (II) induction training and a training plan;
 - annually review the attendance record, training and development plan, performance evaluations and contribution made by Non Executive Directors who, retiring by rotation, have indicated a wish to be re-elected;
 - review at each meeting the Society's Governance Map to ensure it accurately reflects the Society's corporate governance structure;
 - instruct an independent third party to complete a board effectiveness review, no less than every three years, and review and track any findings to their satisfactory conclusion;
 - undertake and complete DBS checks for every Director no less than every three years; and
 - liaise and interact as necessary with the Board's other sub-committees.

4. Meetings

- a) The quorum for the Sub-Committee meeting shall be two Non Executive Directors.
- b) The Sub-Committee shall meet at least three time per annum, with scheduled meetings being held in February, June and December. If necessary, the Sub-Committee shall hold further meetings from time to time, as may be called by the Company Secretary of the Society or by any member of the Sub-Committee. All meetings shall be conducted in accordance with the Terms of Reference and the Articles.
- c) Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, with all

available supporting papers, shall be forwarded to each member of the Sub-Committee. All meetings shall be conducted in accordance with these Terms of Reference and the Articles.

- d) Appendix I details the schedule of regular agenda items for the Sub-Committee.
- e) The Chairman shall chair each meeting of the Sub-Committee. If the Chairman is absent the other Directors present shall choose one of their number (excluding the Executive Directors) as Chairman of that meeting.
- f) The meetings will be minuted, including a record of the names of those in attendance. The Sub-Committee will report its recommendations to the Board at the next meeting following the Sub-Committees meeting.

5. Authority

- a) The Sub-Committee is authorised by the Board to:
 - i. Investigate any activity within its terms of reference;
 - ii. Seek any information that it may require from internal and external sources to carry out its role; and
 - iii. Obtain independent external professional and/or legal advice at the Society's expense as necessary.

6. Reporting Procedures

- a) The Chairman of the Sub-Committee will report on the deliberations of the Sub-Committee to the Board and provide copies of the minutes of any meetings.
- b) The Sub-Committee shall make whatever recommendations to the Board it deems appropriate on any area within its terms of reference.

7. Miscellaneous

- a) At least once a year, the Sub-Committee shall:
 - i. review its own constitution and terms of reference to ensure that it is operating effectively;
 - ii. recommend to the Board, for approval, the changes that it considers appropriate; and
 - iii. review its own performance and report any recommendations to the Board.

Adopted by the Committee on

Appendix I

Schedule of regular agenda items for the Nomination Sub-Committee

For each regular meeting

Apologies
Declaration of any conflicts of interest
Minutes of the previous meeting
Matters arising from the previous meeting
Dates and venues of future meetings of the Sub-Committee
Governance Map
Skills analysis
Any other business

February

Board Skills Review
Gap Analysis Review
Board Appraisal Process Review
Review Terms of Reference
Review of Nomination S/C constitution and performance

June

Succession Plan Review
Diversity Policy
Review range and balance of Board skills and gaps

December

Succession Plan Review
Board effectiveness Summary and Review
Society Structure Review