



# **Skipton Building Society**

## **Board Nominations Committee terms of reference**

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## 1. Purpose

The role of the Board Nominations Committee (the “**Committee**”) is to ensure that the board of directors (the “**Board**”) of Skipton Building Society (the “**Society**”), and the Group Executive Committee (the “**Group ExCo**”) are of an appropriate structure, size and balance of skills to lead the business, and to maintain appropriate oversight of the composition of Skipton Group boards (as detailed in schedule 1).

For the purpose of these terms of reference “**Skipton Group**” is defined as the Society and its subsidiary undertakings including the following key businesses:

- Skipton Business Finance (SBF);
- Connells;
- Skipton International (SIL); and
- Jade.

## 2. Duties of the Committee

The Committee shall:

### ***Composition and Succession***

- 2.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- 2.2 ensure that plans are in place for effective succession of Board and Group ExCo positions, and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Group, and what skills and expertise are therefore expected to be needed by the Board in the future;
- 2.3 keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

### ***Recruitment and Appointments***

- 2.4 identify and nominate for Board approval candidates to fill Board vacancies as and when they arise, having evaluated the balance of skills, knowledge, experience and diversity on the Board (and as part of this evaluation the Committee will prepare a description of the role and capabilities required for each particular appointment);
- 2.5 when identifying suitable candidates, consider candidates on merit and against objective criteria, considering time commitments and business interests, ensuring candidates do not exceed the number of directorships which can be held at the same time as per Article 91(3) of the Capital Requirements Directives; and having due regard to the benefits of diversity on the Board;
- 2.6 if appropriate, use open advertising or the services of external advisors to facilitate the search for suitable candidates;
- 2.7 ensure that prior to the appointment of a director, the appointee discloses any other business interests that may result in a conflict of interest and discloses any significant time commitments, obtaining Board approval where applicable;
- 2.8 approve the appointment of Group ExCo members and directors of , Connells, Jade, SIL, Amber Homeloans Limited (“**AHL**”) and North Yorkshire Mortgages Limited (“**NYM**”), collectively defined as “**Principal Subsidiaries**”, as detailed in schedule 1;
- 2.9 present directors of the Board for re-election by members of the Society at each AGM, 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;

- 2.10 consider and make recommendations to the Board on 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 Society Rules, law and their service contract or the suspension or termination of service of any non-executive director subject to the provisions of the Society Rules, law and the terms of their letter of appointment; and
- 2.11 recommend for approval by the Board, the membership of the Board Audit Committee, Board Risk Committee, Board Remuneration Committee, Non-Executive Remuneration Committee and Group Executive Committee, in consultation with the Chair of those committees.

### **Other**

Further, the Committee shall:

- 2.9. 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 their Senior Management Responsibilities, time commitment, committee service and involvement outside Board meetings;
- 2.10. receive annually from the Group Chief Executive Officer (SMF1) a report that all Senior Managers of the Society remain fit and proper persons under the requirements of the PRA & FCA and receive annually a report from the Committee Chair covering the fitness and propriety of the Society's notified NEDs;
- 2.11. annually review the skills of the Board;
- 2.12. ensure that appropriate arrangements are in place to assess Board effectiveness, at least annually;
- 2.13. approve the appointment of shareholder representatives on principal Skipton Group companies, based on the recommendation of the Group Chief Executive and subject to the approval of the relevant subsidiary company;
- 2.14. receive and review a list of the members of Boards of all principal Skipton Group subsidiaries on an annual basis;
- 2.15. produce a report to be included in the Society's annual report describing the work of the Committee; and
- 2.16. obtain, at the Society's expense, external legal or other professional advice on any matters within its terms of reference, it deems necessary to fulfil its obligations.

### **3. Membership**

- 3.1. All non-executive directors of the Society shall be members of the Committee.
- 3.2. The Chair of the Board shall be the Chair of the Committee. The Chair of the Board shall not chair the Committee when it is dealing with the matter of succession of the chair of the board.
- 3.3. Other individuals such as the Group Chief Executive and external advisers may be invited to attend for all or part of any meeting, to facilitate effective operation of the Committee.

### **4. Quorum**

- 4.1. Meetings of the Committee shall be quorate where attended by a minimum of three members, one of whom shall be the Chair or their nominee. 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 delegated by the Board. In the event of a tie, the Chair (or the duly elected chair of the meeting if the Chair is not present) shall have the casting vote.

- 4.2. Members of the Committee shall be deemed to meet together if they are in separate locations, but are linked by conference telephone, video or other electronic communications equipment. Such a meeting shall be deemed to take place where the largest group of members of the Committee participating is assembled or if there is no such group where the Chair of the meeting is present.

## **5. Frequency of Meetings**

The Committee shall meet at least twice a year, or on a more frequent basis as agreed by the Chair of the Committee.

## **6. Secretary**

The Group Secretary and General Counsel or their nominee shall act as secretary to the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

## **7. Authority**

- 7.1. The Committee is a committee of the Board and has delegated authority from the Board to which it reports.

- 7.2. The Committee is authorised to:

7.2.1. investigate any activity within its terms of reference;

7.2.2. obtain external legal or other independent professional advice, at the Society's expense, as it considers necessary to undertake its duties, and to secure the attendance of any such advisers at any meetings of the Committee where required; and

7.2.3. seek any information it requires from any employee of the Society or any of its group undertakings in order to perform its duties.

- 7.3. In the event of any discrepancy between these Terms of Reference and the terms of reference of a board nominations committee of any Skipton Group entity, the provisions of these Terms of Reference shall prevail.

## **8. Reporting Responsibilities**

- 8.1. Minutes of Committee meetings shall be circulated only to Committee members and not to the full Board.

- 8.2. The Chair of the Committee will provide a verbal update where appropriate, to the next Board meeting after each meeting of the Committee on the key matters considered by the meeting.

## **9. Annual General Meeting**

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

## **10. Annual Review**

The Committee's Terms of Reference shall be reviewed, at least, annually with agreed changes presented to the Board for approval.

## SCHEDULE 1

The Committee shall approve, be consulted on or be advised in respect of the appointment of roles within the Skipton Group as detailed below.

	<b>THE SOCIETY</b>	<b>SBF</b>	<b>SIL</b>	<b>CONNELLS</b>	<b>JADE</b>	<b>AHL &amp; NYM</b>
<b>Group ExCo Members</b>	<b>Approve</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Non-Executive Directors</b> (including Chairs)	<b>Approve</b> (for recommendation to the Board)	<b>Approve</b>	<b>Approve</b>	<b>Approve</b>	<b>Approve</b>	<b>n/a</b>
<b>Executive Directors</b> (including CEO's)	<b>Approve</b> (for recommendation to the Board)	<b>Approve</b>	<b>Approve</b>	<b>Approve</b>	<b>Approve</b>	<b>Approve</b>

## DOCUMENT GOVERNANCE AND VERSION CONTROL

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