

# Terms of Reference – Nomination Committee

## 1. Purpose

- 1.1. To ensure the success of the Society, it should be led by an effective and entrepreneurial Board, whose role is to promote the long-term success of the Society. To be able to do this the Nomination Committee, through its delegated authority from the Board, is responsible for monitoring the balance of skills, knowledge, experience and diversity on the board, recommending Board and Board Committee appointments to the board and monitoring succession plans for the Board and Senior Management. The Committee is also responsible for the oversight of talent development throughout the Society and for ensuring there is a sufficient pipeline of diverse talent available to achieve the current and future strategy of the Society.

## 2. Membership

- 2.1. The Committee shall comprise at least three directors. A majority of the members of the Committee shall be independent non-executive directors.
- 2.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Chief People Officer, external advisers and other individuals the Chair deems necessary may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.3. Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended by no more than two additional three-year periods, provided the director still meets the criteria for membership of the Committee and re-election of members.
- 2.4. The Board shall appoint the Committee Chair who shall be either the Chair of the Board or a non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these Terms of Reference to be appointed to that position by the Board. The Chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chair.

## 3. Secretary

- 3.1. The Company Secretary or their nominee shall act as the Secretary of 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 the issues.

## 4. Quorum

- 4.1. The quorum necessary for the transaction of business shall be two both of whom must be independent non-executive directors.

## 5. Frequency of Meetings

- 5.1. The Committee shall meet at least twice per annum and otherwise as required. Meetings may be held in person, over the telephone or by technology enabled conference. A member of the

Committee so participating shall be deemed to be present in person at the meeting and shall be entitled to fully participate and be counted in the quorum accordingly.

- 5.2. Interim 'specific issue(s)' meetings may be convened, by the Secretary, at the request of the Chair. In circumstances where a decision is required to be made in a timely fashion, the interim meeting may take place by e-mail and shall be valid if the e-mail has been circulated to all members of the Committee and the decision is approved by a quorum.

## **6. Notice of Meetings**

- 6.1. Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Committee Chair or any of its members.
- 6.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

## **7. Minutes of Meetings**

- 7.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance.
- 7.2. Draft Minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes shall be circulated to all other members of the Board unless in the opinion of the Committee Chair it would be inappropriate to do so.
- 7.3. Final signed copies of the minutes of the meetings of the Committee should be maintained for the Society's records.
- 7.4. Where meetings have taken place by exchange of e-mail, copies of the e-mails shall be included in the minute book as the minutes of the e-mail meeting.

## **8. Annual General Meeting**

- 8.1. The Committee Chair shall attend the Annual General Meeting to answer any member questions on the Committee's activities or responsibilities.

## **9. Responsibilities**

- 9.1. The Committee shall:
  - 9.1.1. regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its committees, taking into account any priorities or matters affecting the Society referred to in paragraph 9.1.4; and to make recommendations to the Board with regard to any changes;
  - 9.1.2. lead the process for appointments, ensure plans are in place for orderly succession to both the Board and Senior Management positions and oversee the development of a diverse pipeline for succession.
  - 9.1.3. Ensure plans are in place for orderly succession to board and senior management positions, and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future.

- 9.1.4. 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 market place;
- 9.1.5. keep up to date and fully informed about strategic issues and commercial changes affecting the Society and the market in which it operates;
- 9.1.6. set objectives for equity, inclusion and diversity in relation to the Board, Executive Committee and senior management and, in conjunction with People Support, set equity, inclusion and diversity objectives and strategies for the company as a whole and monitor the impact and outcomes of these initiatives;
- 9.1.7. approve the Board's approach to inclusiveness, diversity, and equity and any public disclosure or statement thereon;
- 9.1.8. be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 9.1.9. before any recommendation for appointment is made to the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - 9.1.9.1. use open advertising or the services of external advisers to facilitate the search;
  - 9.1.9.2. consider candidates from a wide range of backgrounds;
  - 9.1.9.3. evaluate a candidate's suitability using the regulatory Fit & Proper test as a benchmark; and
  - 9.1.9.4. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, social and ethnic backgrounds, and cognitive and personal strengths taking care that appointees have enough time available to devote to the position.
- 9.1.10. for the appointment of a Chair, the Committee shall prepare a job specification, including the time commitment expected. A proposed Chair's other significant commitments shall be disclosed to the Board before appointment and any changes to the Chair's commitments shall be reported to the Board as they arise;
- 9.1.11. prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest. These must be authorised by the Board prior to appointment and any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the Board;
- 9.1.12. 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 time commitment, committee service and involvement outside Board meetings;
- 9.1.13. review the results of the Board performance evaluation process that relate to the overall composition of the Board and succession planning;
- 9.1.14. review annually the time required from non-executive directors. Performance evaluation shall be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and

9.1.15. work and liaise as necessary with all other Board committees, ensuring the interaction between committees and with the Board is reviewed at least annually.

9.2. The Committee shall also make recommendations to the Board concerning:

- 9.2.1. any changes needed to the succession planning process, for succession for both executive and non-executive directors and in particular for the key roles of Chair, Chief Executive, Executive Committee and senior management based on merit and objective criteria and taking into account the skills, experience, independence, knowledge and diversity needed on the Board in the future, the length of service of the Board as a whole and the need for its membership to be regularly refreshed;
- 9.2.2. suitable candidates for the roles of Deputy Chairman and/or Senior Independent Director where appropriate;
- 9.2.3. membership of the Audit, Governance and Risk, Remuneration, and Investment Committees in consultation with the Chairs of those Committees;
- 9.2.4. the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board and the Society's long-term sustainable success, in the light of the knowledge, skills and experience required and the length of service of the Board as a whole;
- 9.2.5. the re-election by members of directors under the annual re-election provisions of the AFM UK Corporate Governance Code and/or the UK Corporate Governance Code 2024 or the provisions in the Society's Rules, having due regard to their performance and ability, and why their contribution is important to the company's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the board, taking into account the length of service of individual directors, the Chair and the Board as a whole.
- 9.2.6. setting any limits on the number of external appointments that may be held by executive and non-executive directors including consideration of the time commitment required for any external appointment;
- 9.2.7. any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Society subject to the provisions of the law and their service contract;
- 9.2.8. the appointment of any director to executive or other office; and
- 9.2.9. the diversity of the Board, Executive Committee and senior management, including with regard to the gender, social and ethnic backgrounds and cognitive and personal strengths.

## **10. Reporting Responsibilities**

- 10.1. The committee Chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.
- 10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for discussion where necessary.
- 10.3. The Committee shall produce a report to be included in the Society's Annual Report about its activities and responsibilities during the year, including but not limited to:

- 10.3.1. the process used to make appointments, its approach to succession planning and the support given to developing a diverse pipeline and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the Annual Report and a statement made as to whether it has any connection with the Society or individual directors;
- 10.3.2. a statement of The Exeter's policy on inclusion and diversity, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives;
- 10.3.3. details of the annual Board evaluation, the outcomes and actions taken and how it has influenced or will influence Board composition;
- 10.3.4. gender pay differences of senior management team and their direct reports; and
- 10.3.5. the gender balance of those in the senior management team and their direct reports.

## **11. Other**

The Committee shall:

- 11.1. have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 11.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 11.3. give due consideration to laws and regulations, and any published guidelines or recommendations, including the provisions of the AFM's UK Corporate Governance Code, the UK Corporate Governance Code 2024 and associated guidance, and any other applicable rules or associated guidance, to the extent that they apply to the Society; and
- 11.4. arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **12. Authority**

- 12.1. The Committee is authorised by the Board to obtain, at the Society's expense, outside legal or other professional advice on any matters within its terms of reference.

**Approved by the Board**  
**September 2024**