

TERMS OF REFERENCE

GROUP NOMINATIONS COMMITTEE

Adopted by the Board on 8th July 2015

1. Introduction - Scope

The Group Nominations Committee assists the boards of the Shepherds Friendly Society and Financial Advice Network in meeting their obligations under the Friendly Societies Act 1992, the Financial Services and Markets Act 2000 and the Financial Services Act 2012. It also recognises and complies with regulatory requirements and the principles of good corporate governance.

2. Purpose and Responsibilities

To take responsibility for ensuring that Nominations matters within the Group are appropriately managed and in the interest of the members and customers

3. Composition

- 3.1 The Group Nominations Committee will comprise a minimum of two members, who should be non executive directors of either Shepherds Friendly or Financial Advice Network
- 3.2 The SFS Board approves membership of the Committee

4. Meetings

- 4.1 Meetings will be held a minimum of three times a year. Meetings will be attended by the Head of People and Culture. In case of need, the Chairman may call a special meeting of the Committee
- 4.2 The agenda will be agreed by the Chairman of the Group Nominations Committee.
- 4.3 Minutes of the meetings will be taken by the Head of People and Culture and will then be circulated to the members of the Group Nominations Committee and to SFS Board members prior to the next appropriate Board Meeting.
- 4.4 The agenda and supporting papers will be circulated to all members and invited attendees at least seven days before the meeting.

- 4.5 A quorum is two members of the Group Nominations Committee. No business will be conducted in the absence of a quorum. A meeting will terminate as soon as it becomes inquorate.
- 4.6 Other attendees may be invited by the Chairman.
- 4.7 The Group Nominations Committee may request any attendees to leave the meeting in order that Committee members can discuss matters confidentially.

5. Objectives

- 5.1 To ensure that through it's work the best interests of the customers and members are always considered and protected.
- 5.2 To take overall responsibility for succession planning within the Group.
- 5.3 To be responsible for Group Board composition by ensuring that there are directors with the appropriate balance of skills and experience on the Group Boards
- 5.4 To ensure that there is a formal, rigorous and transparent procedure for the appointment of directors to the Group Boards.
- 5.5 To ensure that any person nominated for appointment to the Group Boards is fit and proper with the appropriate skills and experience for the post in accordance with regulatory requirements and principles of good corporate governance.
- 5.6 To ensure board directors maintain their technical knowledge, skills and expertise and implement appropriate plans to address areas of development.
- 5.7 To be responsible for assessing the performance of the board as a whole. To review assessments of all board meetings on an annual basis and implement changes/improvements as required.
- 5.8 To approve the service agreements for all Group directors.
- 5.9 To assess the independence of all directors on an annual basis.
- 5.10 To review the relevant content of the Board manual every three years.
- 5.11 **Conduct Risk Framework**
 - 5.11.1 To consider the Conduct Risk Framework in terms of Organisation Culture:
 - 5.11.2 Vision, mission and values
 - 5.11.3 Openess and transparency with stakeholders

5.11.4 Evidencing “the extra mile”

6. Reporting Structure

The Group Nominations Committee will report direct to the SFS Board, with the Chairman of the Committee acting as spokesman.

7. Authority

- 7.1 The Group Nominations Committee does not have delegated authority from the SFS Board and makes recommendations to the Board for approval.
- 7.2 The Group Nominations Committee may seek external legal and professional advice if this is required for it to fulfil its duties and responsibilities.
- 7.3 The election of members to the SFS Board will be made at the Annual General Meeting but only those persons deemed fit and proper by the committee and approved by the board will have their names put forward for election.
- 7.4 The Group Nominations Committee, through the Chairman will liaise with Regulatory bodies should the need arise to ensure the Approved Persons rules are satisfied.

8. Self Appraisal

On an annual basis the Group Nominations committee should formally appraise its performance against its role and objectives and minute the extent to which it has met its requirements, together with an action plan should any shortcomings be identified.