



SHEPHERDS FRIENDLY SOCIETY LTD

TERMS OF REFERENCE

NOMINATIONS COMMITTEE

Adopted by the Board on 31st January 2017

1. Introduction

The Shepherds Friendly Society Nominations Committee is established under the Authority of the Board of the Shepherds Friendly Society (“the Society”) and assists the Board of the Shepherds Friendly Society in meeting its 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

The Nominations Committee is a body that will:

- 2.1 Ensure that through it's work the best interests of the customers and members are always considered and protected.
- 2.2 Keep the Board's governance arrangements under review and ensure that the Society's practices and procedures are consistent with good practice governance standards

3. Reporting Structure

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

4. Membership

- 4.1 The Committee will be appointed by the Board and will comprise of one or more Non-Executive Directors, and such Executives as the Board see fit. The Board will nominate one of the Non-Executive members of the Committee as Chairman of the Committee.

- 4.2 Any members should have the skills and experience necessary for them to make a useful contribution to the work of the Committee.
- 4.3 Other attendees may be invited to attend by the Chairman.

5. Meetings

- 5.1 Meetings will be held a minimum of three times a year. Meetings will be attended by the Chief Culture Officer. In case of need, the Chairman may call a special meeting of the Committee
- 5.2 The agenda will be agreed by the Chairman of the Nominations Committee.
- 5.3 Minutes of the meetings will be taken by the Chief Culture Officer and will then be circulated to the members of the Nominations Committee and to SFS Board members prior to the next appropriate Board Meeting.
- 5.4 The agenda and supporting papers will be circulated to all members and invited attendees at least five days before the meeting.
- 5.5 A quorum is two members of the Nominations Committee. No business will be conducted in the absence of a quorum. A meeting will terminate as soon as it becomes inquorate.
- 5.6 Other attendees may be invited by the Chairman.
- 5.7 The Nominations Committee may request any attendees to leave the meeting in order that Committee members can discuss matters confidentially.

6. Authority

- 6.1 The Nominations Committee does not have delegated authority from the SFS Board and makes recommendations to the Board for approval.
- 6.2 The Nominations Committee may seek external legal and professional advice if this is required for it to fulfil its duties and responsibilities.
- 6.3 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.

- 6.4 The Nominations Committee, through the Chairman will liaise with Regulatory bodies should the need arise to ensure the Approved Persons rules are satisfied.

7. Escalation

Matters that are deemed to be outside the responsibilities of the Committee will be raised at Board level.

8. Powers and Responsibilities of the Nominations Committee

- 8.1 To take overall responsibility for succession planning within the Society with particular regard to positions such as CEO, Chairman of the Board etc
- 8.2 To be responsible for Board composition and progressive refreshing of the Board by ensuring that there are directors with the appropriate balance of skills and experience on the Board
- 8.3 To ensure that there is a formal, rigorous and transparent procedure for the appointment of directors to the Board and to take a lead in the selection process
- 8.4 To ensure that any person nominated for appointment to the Board is fit and proper with the appropriate skills and experience for the post in accordance with regulatory requirements and principles of good corporate governance.
- 8.5 To ensure that all SIMR requirements for any key function holders have been fulfilled before an application is made to the regulator. This will include having sufficient time to undertake their responsibilities.
- 8.6 To be responsible for ensuring that existing NEDS have sufficient time to undertake their responsibilities
- 8.7 To ensure board directors maintain their technical knowledge, skills and expertise and implement appropriate plans to address areas of development.
- 8.8 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.
- 8.9 To be responsible for considering and setting the criteria for the 360 appraisals of all Non-Executive Directors and Directors.
- 8.10 To approve the service agreements for all directors.

- 8.11 To assess the independence of all directors on an annual basis.
- 8.12 To review the relevant content of the Board manual every three years.
- 8.13 To monitor developing trends or initiatives in relation to Board governance issues and the way these may impact the Society and make appropriate recommendations for changes to the Board.
- 8.14 To undertake an assessment of its performance in line with the objectives of the Terms of Reference.
- 8.15 To consider any other issues that the Board may delegate as appropriate.

9. Self Appraisal

On an annual basis the 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.