

**Saffron Building
Society
Terms of Reference
Nominations
Committee**



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1. Purpose, Scope and Authority

The Board hereby resolves to establish a committee of the Board, to be known as the Nominations Committee (“the Committee”) to assist the Board.

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 such as independent external legal, accounting or other professional advice and training as it considers necessary.

This Committee’s remit covers Saffron Building Society, comprising of Saffron Building Society and its subsidiary companies including Crocus Home Loans Limited and Saffron Mortgage Finders Limited and will carry out its responsibilities for the parent entity, major subsidiary undertakings and the group as a whole, as appropriate.

2. Membership

| Role | Status | Deputy |
|-----------------------------|-----------|------------------------------------|
| Chair | Chair | <i>Senior Independent Director</i> |
| Senior Independent Director | Member | <i>N/A</i> |
| Chief Executive Officer | Member | <i>N/A</i> |
| Assistant Society Secretary | Secretary | <i>N/A</i> |

The Chair of the Committee shall be the Chair of the Society.

The Committee shall comprise a minimum of three members

Only members and non-voting attendees of the Committee have the right to attend Committee meetings. However, anyone can be invited to attend all or part of any meeting as and when appropriate.

3. Secretary

The Assistant Society 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 issues.

The secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.

Draft minutes of committee meetings shall be circulated by the secretary to all members of the Committee.

Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair or any of its members.

4. Quorum

Meetings of the Committee shall be quorate where attended by a minimum of two members, both of whom must be independent non-executive directors.

5. Meetings

5.1 Frequency of Meetings

Meetings shall be held on a minimum of two times a year.

5.2 Notice of Meetings

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 and any other person required to attend no later than three 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

6. Rapid Decision Protocol

The purpose of the Rapid Decision Protocol is to facilitate decision making outside of the scheduled meetings. Any use of the Rapid Decision Protocol must be agreed with the Chair of the Committee (or in their absence, the Deputy Chair) prior to its use, and circulated by the Committee Secretary (or in their absence, a nominated deputy). Quorum requirements detailed above apply to any decisions with members, either meeting in person, by telephone conference or responding via email.

Any decisions or approvals made using this protocol are to be submitted to the next scheduled Committee meeting, accompanied by a summary of events and the final decision, for inclusion in the minutes.

7. Approvals and Responsibilities

7.1 Approvals

The following documents are submitted to the Committee for approval at the prescribed frequency.

| Responsibility | Details |
|----------------|---------|
| | |

7.2 Recommendation for Approvals

The following documents are submitted to the Committee at the prescribed frequency for review and recommendation to (name reporting Committee) for approval.

| Responsibility | Details |
|--------------------|---|
| Terms of Reference | At least annually, review the committee's terms of reference and recommend to Board for Approval. |

7.3 Responsibilities

| Responsibility | Details |
|---------------------------------|--|
| Structure, size and composition | To regularly review, (at least annually), the structure, size and composition (including skills, knowledge, diversity and experience) required of the Board's and the Committees' members to operate effectively in line with board risk appetites, and in support of the Society's Corporate Plan, culture, purpose and values, strategy, business model and regulatory requirements, and make recommendations to the Board with regard to any changes. |
| Succession planning | 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 Society, and the skills and expertise needed on the board in the future |
| Leadership | 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 |
| Appointment | • |
| | |
| | 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. To ensure that, on appointment to the Board, the director receives a formal letter of appointment. |
| | To be responsible for identifying and nominating, for the approval of the Board, candidates to fill board vacancies as and when they arise. |
| | To be responsible for establishing that appointees have sufficient time to devote to a board position with the Society. |
| Committee Structure | Review and recommend to the Board any changes to Board committee structure and committee memberships |

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| | aimed at refreshing committees and avoiding over reliance on one individual in consultation with the Chair of those committees. |
| Board Evaluation | Review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning |
| Chair | For the appointment of Society Chair, prepare a job specification, including the time commitment expected. |
| | Ensure there is a formal process in place for performance reviews for the Chair |
| Non-Executive Directors | Ensure there is a formal process in place for performance reviews for Non-Executive Directors |
| | Review annually the time required from Non-Executive Directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties. |
| | . |
| | Make recommendations to the board concerning the re-appointment of any Non-Executive Director at the conclusion of their specified term of office, 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. |
| | Recommend the appointment of Champion's and agree the job description for these roles. |
| Reporting | 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 |
| | The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed |
| | The committee shall produce a report to be included in the company's annual report describing the work of the Nomination committee, including: <ul style="list-style-type: none"> • the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline • how board evaluation has been conducted, the nature and extent of an external evaluator's contact with the board and individual directors, the outcomes and actions taken, and how it has influenced or will influence board composition • the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives, and • the gender balance of those in the senior management team and their direct reports |
| | If an external search consultancy has been engaged, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors |

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| Nominations Committee Effectiveness | Committee to review its effectiveness against its Terms of Reference and report any findings and recommendations to the Board. |
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8. Other Matters

The Committee shall:

Have access to sufficient resources in order to carry out its duties, including access to the Society Secretary for advice and assistance as required.

Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.