

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 in fulfilling its oversight responsibilities relating to:

- **The Appointment of Board Members:** Identifying, evaluating, and recommending candidates for appointment to the Board, ensuring a diverse and skilled composition that aligns with the Society's strategic objectives.
- **Board Member Evaluation:** Conducting regular assessments of the performance and effectiveness of Board members and the Board as a whole, identifying areas for improvement and development.
- **Succession Planning:** Developing and maintaining a robust succession plan for Board members, ensuring continuity of leadership and governance within the Society.
- **Skills and Experience Assessment:** Identifying gaps in skills and experience within the Board and recommending training and development initiatives to address these gaps.
- **Compliance and Best Practices:** Ensuring that the Board's composition and practices comply with relevant regulatory requirements and adhere to best practices within the UK building society sector.
- **Diversity and Inclusion:** Promoting diversity and inclusion within the Board, ensuring that a range of perspectives and experiences are represented in decision-making processes.
- **Reporting:** Providing regular reports to the Board on the Committee's activities, findings, and recommendations, ensuring transparency and accountability in the nominations process

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.

The 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 of the Board	Chair - Member	To be nominated in the meeting*
Senior Independent Director	Member	N/A
Non-Executive Director x2	Member	N/A

The Chair of the Committee shall be a Non-Executive Director. The Chair of the Board will not Chair the Nominations Committee when it is dealing with the appointment of their successor.

The Committee shall comprise a minimum of three members, and the majority of members will be independent Non-Executive Directors.

Only members and invited 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 Board 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.

4. Quorum

Meetings of the Committee shall be quorate where attended by a minimum of two members.

5. Meetings

5.1 Frequency of Meetings

Meetings shall be held on a minimum of once a year.

5.2 Notice of Meetings

Unless otherwise agreed, a notice confirming the venue, time, and date of each meeting, along with an agenda of items to be discussed, shall be sent to each Committee member and any other required attendees at least three working days in advance.

Supporting papers shall be distributed to Committee members and other attendees, as appropriate, with best endeavours to provide them at least 5 working days in advance, but no later than 3 working days (including the weekend) before the meeting

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
Management Responsibility Map	<p>The Committee will review and approve the Management Responsibility Map on an annual basis. As a part of this, it will ensure and receive a report on how SMCR is applied throughout the organisation.</p> <p>The document can be updated throughout the year without needing to come back to the Committee, but the Committee will be notified of any changes.</p>

7.2 Recommendation for Approvals

The following documents are submitted to the Committee at the prescribed frequency for review and recommendation to Board for approval.

Responsibility	Details
Terms of Reference	At least annually, review the Committee's terms of reference and recommend to Board for Approval.
Succession Planning	Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved.
Appointment	Suitable candidates as new directors and succession for existing directors
Committee Membership	Membership of the Audit, Risk and Remuneration and people Committees, and any other Board committees as appropriate, in consultation with the Chair of those committees.
Directors	The re-election by members of directors at the AGM, paying due regard to their performance and ability, and noting 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 whole
	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 company subject to the provisions of the law and their contract.

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.
	Review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning
	In considering diversity on the Board the Committee shall: (a) be responsible for putting in place a statement promoting diversity on the Board; and (b) monitor progress against the diversity statement and report on this in the Annual Report and Accounts
Succession planning	Ensure plans are in place for orderly succession to Board, 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
Training	Review the training and development plan for the Board on at least an annual basis.
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	Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
	Before any appointment is made by 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 and the time commitment expected. In identifying suitable candidates the Committee shall: <ul style="list-style-type: none"> • use open advertising or the services of external advisers to facilitate the search • consider candidates from a wide range of backgrounds • consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the Board and taking care that

	appointees have enough time available to devote to the position
	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.
	Prior to the appointment of a director, other significant time commitments should be disclosed and any additional future commitments should not be undertaken without prior approval of the Board. The proposed appointee should also be required to disclose any other business interests that may 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 .
Committee Structure	Review and recommend to the Board any changes to Board committee structure and committee memberships aimed at refreshing committees and avoiding over reliance on one individual in consultation with the Chair of those committees.
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
Directors	Ensure there is a formal process in place for performance reviews for Directors.
	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, time commitments 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.
	Monitor the interests of Directors, including any conflicts arising in accordance with the Conflicts of Interest Policy.
	Keep under review the Director Register including external directorships and, if appropriate recommend to the Board the authorisation of interests shown in the Register.
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

	<p>The Committee shall produce a report to be included in the company's annual report describing the work of the Nominations Committee, including:</p> <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 <p>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</p>
SMCR	Oversight of the SMCR Policy
Nominations Committee Effectiveness	Committee to review its effectiveness against its Terms of Reference and report any findings and recommendations to the Board.

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

Give due consideration to all relevant laws and regulations, the provisions of the Code and associated guidance and any other applicable rules, as appropriate

8. Version History

Version	Author	Date	Notes
V.1.11	Harriet Wright	15/03/2024	Updated to change membership and approval of MRM.
V1.13	Harriet Wright	16/08/2024	Updated to change membership and annual review
V1.14	Harriet Wright	January 2025	Updated to agreed template and review.