



Terms of Reference
Nomination Committee

Last updated
26 November 2013

1.0 Objective

- 1.1 To advise the Committee of Management on matters relating to its composition and ensure succession planning is in place for key roles on the Committee of Management, Managing Board and for the Chief Executive.

2.0 Composition

- 2.1 The members of the Committee, not being less than three in number, shall be appointed by the Committee of Management and the majority of whom should be independent non-executive directors, including one police representative from the Committee of Management and one remunerated non-executive director. The Chairman of the Committee should be either the Chairman of the Committee of Management or an independent non-executive director unless specific consideration is being given to the position of the Chairman of the Society, when the remaining members present shall elect one of their number to chair the meeting.
- 2.2 Additional, members may be co-opted by the Committee for the consideration of particular positions or an Appointments Committee may be established.
- 2.3 In the absence of the Committee Chairman, the remaining members present shall elect one of their number to chair the meeting.
- 2.4 The Company Secretary or his/her nominee shall be the secretary of the Committee.
- 2.5 Only members of the Committee have the right to attend Committee meetings. However, other individuals will attend meetings by invitation as and when appropriate.
- 2.6 Attendees are not members of the Committee and they may be collectively or individually requested to withdraw from meetings of the Committee if required to do so by the Chairman of the Committee.

3.0 Meetings

3.1 Quorum

The Committee shall have a quorum of three members, including one remunerated non-executive director and one police representative. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. A quorum may be present in person or in communication with each other by telephone (excluding co-opted members). To count in the quorum a person who is in communication with the others by telephone must be able to hear fully, and participate in, the proceedings.

3.2 Frequency

The Committee shall meet as required and additional meetings may be called by any member of the Committee or the Secretary as required.

3.3 Notice

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 no later than 3 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. Ad hoc meetings to deal with unexpected or unusual events may be called at short notice.

The Committee may make decisions outside of meetings in writing provided all members of the Committee sign to confirm their approval of the decision

3.4 Minutes

The Secretary shall keep appropriate records of all meetings of the Committee with appropriate minutes of the proceedings and resolutions, copies of which shall be circulated to all members of the Committee and the Committee of Management or a summary provided where personal information is included.

3.5 Reporting

The Chairman of the Committee shall report its proceedings to the Committee of Management and attend general meetings prepared to respond to any questions on the Committee's activities.

4.0 Duties

The Committee shall

- review the Committee of Management structure, size, composition, skills, knowledge, experience and diversity and make recommendations to the Committee of Management with regard to any adjustments that are deemed necessary
- review the Managing Board structure, size, composition, skills, knowledge, experience and diversity and make recommendations to the Committee of Management with regard to any adjustments that are deemed necessary
- make recommendations to the Committee of Management for the continuation (or not) in service of a member of the Committee of Management
- be responsible for identifying candidates for nomination for election in general meetings for the approval of the Committee of Management
- be responsible for identifying candidates for co-option to the Committee of Management for the approval of the Committee of Management
- be responsible for identifying and nominating to the Committee of Management, candidates to fill Committee of Management and Managing Board vacancies when they arise
- before any appointment is made by the Committee of Management, evaluate the balance of skills, knowledge, experience and diversity on the Committee of Management or Managing 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:
 - use open advertising or the services of external advisers to facilitate the search for remunerated non-executive directors
 - consider candidates from a wide range of backgrounds
 - consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position
- put in place plans for succession, in particular for the Chairman of the Committee of Management/Managing Board and the Chief Executive
- for the appointment of the Chairman of the Committee of Management/Managing Board, prepare a job specification, including the time commitment expected. A proposed Chairman's other significant commitments should be disclosed to the Committee of Management before appointment and any changes to the Chairman's commitments should be reported to the Committee of Management as they arise
- give full consideration to succession planning for executive director positions on the Managing Board in the course of its work, taking into account the challenges and

opportunities facing Police Mutual, and what skills and expertise are therefore needed on the Committee of Management and Managing Board in the future

- prior to the appointment of a director, ensure that the proposed appointee has disclosed any other business interest that may result in a conflict of interest and that they are required to report any future business interests that could result in a conflict of interest
- Review the time required from non-executive directors and their other commitments
- Ensure that on appointment, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of their time commitment, committee service and involvement outside Committee of Management/Managing Board meetings.
- Work and liaise as necessary with all other corporate committees
- Consider any matters relating to the continuation in office of any director at any time including the resignation from, suspension or termination of service of any executive director as an employee of Police Mutual subject to the provisions of the law and their service contract. No executive directors shall be entitled to attend meetings where such consideration is being given by the Committee, even if they are a member of the Committee. The Committee does however have a duty to consider any oral or written submissions made by any executive director in such circumstances.
- In carrying out its duties, give due regard to any relevant legal requirements and the provisions and recommendations in the Annotated UK Corporate Governance Code
- Ensure, with the assistance of the Chief Executive, that the appropriate vetting procedures of specific appointments comply with relevant regulatory requirements, in particular, FCA/PRA Approved Persons regulations
- Produce a report to be included in Police Mutual's annual report about its activities, the process used to make appointments 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
- The report referred to above should include a statement of the Committee of Management's policy on diversity, including gender
- Make whatever recommendation to the Committee of Management it deems appropriate on any area within its remit where action or improvement is needed
- Arrange for periodic reviews of its own performance and review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considered necessary to the Committee of Management for approval

5.0 Authority

- The Committee is authorised by the Committee of Management, when the fulfilment of its duties requires and at the Police Mutual's expense, to obtain independent legal or professional advice and secure the services of external advisers at its meetings on any matters within its terms of reference. The Committee shall have full authority to commission any reports or surveys it deems necessary to fulfil its responsibilities
- The Committee is authorised to seek any information it requires from any employee of Police Mutual or its subsidiaries in order to perform its duties
- The Committee may require the attendance of any member of the Committee of Management and the Managing Board, or external professional adviser appointed by Police Mutual
- The Committee shall have the power to call any officer or employee to be questioned at a meeting of the Committee
- The Committee shall have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required