

WESLEYAN

Terms of Reference Nominations Committee

Prepared by: Company Secretary
Next Review Date: 07/2018

Wesleyan Assurance Society

Nominations Committee

Terms of Reference

Corporate Governance

1. The Committee is a sub-committee of the Board.

Membership

2. Members of the Committee shall be appointed by the Board on the recommendation of the Society's Chairman, and shall be made up of at least 4 members, at least 2 of whom should be Non-Executive Directors of the Society. The Chief Executive of the Society shall be a member of the Committee.
3. Only members of the Committee have the right to attend Committee meetings. However, other Board members with skills relevant to a particular nomination and external advisers may be invited to attend for all or part of any meeting, as and when appropriate, and may be co-opted on to the Committee for a particular meeting, with the approval of the Chairman of the Committee.
4. The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or a Non-Executive Director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of nominating a successor to the Chairmanship.

Secretary

5. The Company Secretary or the Committee's nominee shall act as the Secretary of the Committee.

Quorum

6. The quorum necessary for the transaction of business shall be 3, two of whom must be Non-Executive Directors. 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.

Frequency of Meetings

7. The Committee shall meet at least once a year and at such other times as Committee members shall deem appropriate.

Notice of Meetings

8. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.
9. 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 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.

In addition, a meeting can take place without all the participants being in the same room or physically meeting together. The meeting can take place by conference call or by means of other telecommunications or by electronic means as long as the participants can each communicate to the others any information or opinions they have on any particular item of the business of the meeting. The meeting will be deemed to have taken place where the largest number of participants is, or otherwise, where no participants physically meet together, the Chairman can determine where the meeting has taken place.

As well as resolutions or decisions being made at meetings, the participants may also pass written resolutions, which will be as valid as a resolution or decision made at a meeting. A resolution is to be in writing and will be adopted when all the participants have signed one or more copies of it. They need not have returned their signed copies as long as they have confirmed (which may be by email) that they have approved the resolution and they will later be required to provide their signed written resolution to the Chairman or the Secretary. Acceptance of the resolution is deemed to have been achieved when confirmatory responses (which may be by email) have been received from the majority of those participants in the meeting. It is immaterial whether any member signs the resolution before or after the time at which the notice of the proposed resolution or decision proposes that it should be adopted. Once a resolution has been made in this way it must be treated as a resolution or decision of that committee.

The Secretary is required to keep a record, in writing, of all such written resolutions for a period of at least 10 years from date such resolution is made.

Minutes of Meetings

10. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
11. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board (if not a member of the Committee).

Annual General Meeting

12. The Chairman of the Committee shall attend the Society's Annual General Meeting prepared to respond to any questions on the Committee's activities.

Duties

13. The Committee shall:
 - a) regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
 - b) give full consideration to succession planning for directors and observe other senior executives, in the course of its work, taking into account the challenges and opportunities facing the Society, and what skills and expertise are therefore needed on the Board in the future;
 - c) be responsible for identifying and nominating for the approval of the Board, considering the diversity of the Board, candidates to fill Board and Executive level vacancies as and when they arise;
 - d) identify and nominate for the approval of the Board, candidates to fill the position of Chair of any subsidiary company specified by the Board¹;
 - e) formulate plans at an appropriate time for succession for both Executive and Non-Executive Directors and the key roles of Chairman and Chief Executive;
 - f) ensure that the requirements of the Senior Managers Regime and Senior Insurance Managers Regime are appropriately taken into account in the identification and nomination of candidates and in succession planning;
 - g) prior to approving an Executive appointment to the Board following a recommendation from the Chief Executive (CEO), either of an external candidate or the promotion of an internal candidate, challenge the CEO on the following:
 - i) the selection process followed and the subjective criteria on which the recommendation is based;
 - ii) the description of the role and capabilities required by the recommended candidate; and
 - iii) the evaluation of the career, skills, knowledge and experience of the recommended candidate.The decision of the Committee on the CEO's recommendation is to be presented to the full Board for final acceptance.
 - h) prior to a Non-Executive Director appointment being made by the Board, evaluate the balance of business success, skills, knowledge and experience on the Board. In identifying suitable candidates the Committee shall:

¹ Wesleyan Bank Limited, Wesleyan Unit Trust Managers Limited, Practice Plan Holdings Limited and Syscap Holdings Limited (last reviewed July 2017)

- i) use open advertising or the services of external advisers to facilitate the search;
 - ii) consider candidates on merit and against objective criteria;
 - iii) present details of the nominated candidate to the Board for final acceptance.
 - i) keep under review the leadership needs of the organisation and its constituent parts, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
 - j) keep up to date and fully informed about strategic issues and commercial changes affecting the Society and the market in which it operates;
 - k) review annually the performance of all Board members and advise the Chairman of the Board accordingly;
 - l) 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; and
 - m) 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.
14. The Committee shall also make recommendations to the Board concerning:
- a) the membership of the Audit, Risk, Remuneration and With Profits Committees and in consultation with the Chairmen of these Committees;
 - b) the re-appointment of any Non-Executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of their track record, knowledge, skills and experience;
 - c) the re-election by members of any director under the “retirement by rotation” provisions in the Society’s Rules 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;
 - d) 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 Society subject to the provisions of the law and their service contract; and
 - e) the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full Board.

Reporting Responsibilities

15. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

16. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
17. The Committee shall make a statement in the Society's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

Other

18. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Authority

19. The Committee is authorised to seek any information it requires from any employee of the Society in order to perform its duties.
20. The Committee is authorised to obtain, at the Society's expense, outside legal or other professional advice on any matters within its terms of reference.