BOARD COMMITTEE - TERMS OF REFERENCE

1. MEMBERSHIP

The Board shall comprise the following members/attendees:

Member/Attendee	Status
Jeff Picton	Chair
Rachel Haworth	Vice Chair/Senior Independent Director
Lucy McClements	Member
Neil Tinegate	Member
Sarah Binstead	Member
Carolyn Porretta	Member
Paul Wheeler	Member – Chief Executive
Dan Jones	Member – Chief Financial Officer
Jim Stevens	Member – Chief Risk Officer
Lindsay Bailey	Attendee (Minute and Committee Secretary)

The Chair or, in their absence any appointed Vice Chair, will chair the meeting.

2. QUORUM

A Quorum of the Board shall be four Directors, with at least three being Non-Executive Directors and the Chief Executive or Chief Financial Officer.

3. FREQUENCY OF MEETINGS

Meetings will be held at least 8 times a year. In addition, special Board meetings may be convened if any issue arises which are not appropriate to be left until the next scheduled Board meeting.

4. ATTENDANCE

In addition to the members of the Board, other attendees may be invited to the proceedings. Any member of the Board may ask the Chair for specific individuals to attend a meeting.

5. AGENDA & MINUTES

The agenda and meeting papers for the Board meeting will normally be made available 5 calendar days prior to the meeting. Draft minutes will be provided for review to the Chair within 14 working days following the meeting. Following the Chair's review the draft minutes will be made available to the Board prior to the agenda and meeting papers distribution.

6. RESPONSBILITIES

The Board is the ultimate governing body for the Society and has overall control and responsibility for the operation of the Society. The Board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.

6.1 CONSTITUTIONAL & REGULATORY MATTERS

- High level monitoring and responsibility for the legal and regulatory governance of the Society.
- Annual review of compliance with all the High Level Standards requirements of the Regulators as set out in Regulator Handbook/Rule Book, including the Principles for Businesses (PRIN) and Senior Management Arrangements, Systems and Controls (SYSC).
- Ongoing review of whether all Approved Persons undertaking Senior Management Functions (including Non-Executive Directors) for the Society remain fit and proper to do so.
- Compliance with Anti-Money Laundering and Countering Terrorist Financing requirements.
- Approval and periodic review/reaffirmation of all key policy/strategy statements in line with the Society's Schedule of Key Documents and Standing Orders.
- Annual review of arrangements for ensuring compliance with all legal, statutory and regulatory (including prudential and conduct related) requirements.
- Agreement and recommendation to the members of any changes to the Memorandum and Rules of the Society.

6.2 STRATEGY AND PLANNING

- Approval of the long term objectives and strategy of the Society, including the legal/regulatory status of the Society.
- Approval of any major changes to the Society's corporate structure.
- Approval of the Corporate Plan, Strategic objectives and Scorecard deliverables, ICAAP, ILAAP, Recovery Plan and financial budgets and forecasts for the Society.
- The acquisition or disposal of interests of any business or the making of any takeover, transfer or merger offer, unless otherwise delegated.
- Approval of changes to the share structure of the Society (e.g. Core Capital Deferred Shares issuance).
- Discussion of any proposed new business initiatives, including the formation of or disposal of a subsidiary undertaking.
- Approval of any programme for a single issuance of long term debt, asset securitisation or any forms of encumbrance of Society assets.
- Review the Society's climate change framework and implementation plan.
- Review the Society's ESG framework and implementation plan.

6.3 PERFORMANCE MANAGEMENT

- Responsibility for directing the Executive management of the Society.
- High level monitoring of the performance of the Society, through written and verbal reports from Executive management and other management information, including key performance indicators.
- Oversight of the Society's operations.

6.4 CORPORATE GOVERNANCE

- Approval of changes to Board constitution delegated powers, structure, size and composition of the Board, following recommendation from the Nominations Committee.
- Annual review and approval of Terms of Reference of Board and Board Sub-Committees.
- Approval of the establishment of any new, or disbanding of any existing, Board Sub-Committees.
- Approval of the appointments of individuals to Board Sub-Committees.
- Agreement and recommendation to the members of the Society of any proposed change to the name of the Society.
- Receipt of declarations of interest by Directors in relation to the Building Society Act 1986.
- Approval of the Annual Report and Accounts and Summary Financial Statement, including the Chair's Statement, Directors' Report, Corporate Governance Statement and Remuneration Report.
- At least once per year, review its own performance noting its conclusions in minutes, with a formal review submitted to the Nominations Committee.
- Carry out periodic external Board Effectiveness reviews noting any conclusions in minutes.

6.5 HUMAN RESOURCES

- Appointment of the Chair and where appropriate the Vice Chair of the Society Board on an annual basis.
- Consideration/approval of recommendations for the appointment or removal of any Director (Executive or Non-Executive) of the Society made by the Nominations Committee, having due regard to the cultural fit of those Directors. Any formal appointment will be subject to the prior approval of the Regulators.
- Consider any request from a Director wishing to accept:
  - an appointment as a Director, Executive, or employee for any other organisation; or
  - a consultancy assignment with another organisation where there might be a perceived conflict of with the Society's interests.
- Approval of the recommendations made by the Society's Chief Executive for the appointment or removal of individuals for any Senior Management Functions as defined by the Regulators. Any formal appointment will be subject to the prior approval of the Regulators.
- To note the recommendations of the Remuneration Committee in relation to the remuneration and other benefits of all Remuneration Code colleagues.
- To review the Culture Dashboard, to include values and purpose, at least twice a year.

6.6 RISK MANAGEMENT

- Accountable for all matters relating to risk and compliance of the business supported by appropriate delegated responsibility to the Risk Committee and Audit and Compliance Committee.
- Approval of the Risk Management Framework.
- Approval of the overall Risk Appetite and Risk Policy.
- Approval of the Lending Policy, following discussion at Risk Committee.
- Approval of the Consumer Duty Policy and quarterly review of the Consumer Duty Dashboard.
- Approval of new material outsourcing arrangements.
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- Review and approve the annual assessment of whether the Society is delivering good outcomes for its customers which are consistent with Consumer Duty.
- The Committee will determine the nature, amount, format and frequency of information on risk which it is to receive.
- Have regard for any advice received from the Audit and Compliance Committee, or the Society's Internal Auditors, concerning the effectiveness of the control framework.

6.7 EXPENDITURE

- Approval of expenditure over certain designated limits.

6.8 DELEGATED AUTHORITIES

- Approval of the range of delegation of authorities and responsibilities to individuals and Board Sub-Committees.
- Receiving reports from Board Sub-Committees and key Management Committees on their activities.

6.9 EXTERNAL & INTERNAL AUDITORS

- Appointment, reappointment or removal of the External Auditors of the Society following recommendation from the Audit and Compliance Committee – to be put to the members for approval.
- Approval of the Internal Audit fees.

6.10 OTHER MATTERS

- Approval of the initiation and response to any litigation or proceedings in respect of the Society.
- To have oversight of any community and member engagement initiatives.