



PEOPLE & CULTURE COMMITTEE TERMS OF REFERENCE

Responsible: P&CC Committee Chair

Reports To: The Board of Directors
Committee:

- Chair : Non-Executive Director, appointed by the Board
- Members: Up to an additional three Non-Executive Directors, appointed by the Board.
- Other attendees, as requested:
 - Chief Executive
 - Chief Financial Officer
 - HR Manager as requested
- Where the Chair and/or members of the committee are conflicted, the Committee can propose to the Board that alternative membership is put in place to ensure effective governance is maintained.

Membership

The Committee will comprise up to four members, all of which must be Non-Executive Board Members.

Members of the Committee shall be re-confirmed annually by the Board following full discussion.

The Board will also appoint the Chair of the Committee.

Only members of the Committee have the right to attend Committee meetings. However other individuals may be invited to attend all or part of any meeting as and when appropriate or necessary.

In the absence of the Committee Chair one of the attending Non-Executive members shall chair the meeting.

1. Quorum

A quorum will be two members of the Committee, unless otherwise agreed by the Society's Board.

Frequency of meetings

The Committee will normally meet four times a year, to a schedule agreed by the Board, and otherwise as circumstances dictate.

Notice of meetings

Meetings of the Committee shall be called by the Chair in accordance with the Board agreed schedule. Additional meetings may be called by any member of the Committee if he or she considers it necessary.

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, any other person required to attend and all other non-executive directors, no later than seven days before the date of the meeting. Supporting papers shall be made available to Committee members and other attendees as appropriate, at the same time.

Minutes of meetings

Minutes of the proceedings, including decisions and conclusions will be prepared. These will include the names of those present and in attendance.

Draft minutes of the meetings will be circulated promptly to all members of the Committee. Once approved, minutes will be circulated to all other members of the Board and will be formally approved at the next meeting by the Chair signing the minutes.

Authority

The Committee is authorised to:

- Obtain, at the Society's expense, outside legal or professional advice on any matter within its terms of reference.
- Seek any information it requires from any employee of the Society in order to perform its duties.
- Call any employee to be questioned at the meeting of the Committee as and when required.

Definition

Senior management references include Executive Directors, Chief Operating Officer and all Heads of.

2. Purpose

The People & Culture Committee focuses on those strategic matters which relate to the employment of all colleagues in the Society in particular in relation to Succession Planning, Reward, Learning & Development and Performance Management.

It will provide oversight that the culture embedded in the Society is aligned to its strategy, purpose, mission and values.

It is committed to meeting the FCA's requirements under the new Consumer Duty. Whilst the Committee assumes the role of the Nominations and Remuneration Committees; the Board Chair, rather than P&CC Chair, is responsible for agenda items which relate to Nomination, in line with the Senior Management Responsibilities map.

In line with these responsibilities, it has Board delegated responsibility for determining the remuneration of the Chair, Chief Executive, Chief Financial Officer, CRO, Chief Operating Officer, (Non-Executive remuneration is determined by the Chair)

As part of its nomination's responsibilities -it is also responsible for identifying and recruiting candidates for board roles and making recommendations to the Society Board for approval.

3. Responsibilities

The Committee operates in line with the UK Corporate Governance Code across all aspects of its responsibilities.

People & Culture:

Responsibility: P&CC Chair

- The Committee will review at least annually the Society's plans and progress in relation to Performance Management, Remuneration & Reward, Learning & Development, Culture and Community Engagement.
- It will also oversee the timely review of associated People & Human Resources Policies.

Remuneration:

Responsibility: P&CC Chair

- The Committee will review Remuneration at least annually and on behalf of the Board approve proposed Remuneration plans for the forthcoming year.

- Remuneration of the Non-Executive Directors is considered by the Remuneration Committee, whom secure appropriate benchmarking data and then consider an appropriate level and recommend such a level for the board's approval. In relation to the Board Chair, the Chair must take no part in discussions by either the P&CC or the Board.
- In line with the Regulatory Return which identifies Remuneration Code staff, the Society has a policy of not paying bonuses or sales incentives, however it retains the right to do so subject to approval by the relevant committee.
- The Committee will ensure that any remuneration decisions are fair, open and equitable.

Board Recruitment, Succession Planning and Skills:

Responsibility: Board Chair

- The Committee will undertake a review of existing skills, knowledge and experience of board members prior to any board recruitment exercise in order to identify any skills required.
- In the light of this evaluation, a description of the role and capabilities required for an appointment will be agreed and written.
- Ensure that the responsibilities (as outlined in the overall responsibilities map and used as part of the Senior Managers Regime) will be fully considered as part of the process.
- The Committee will ensure that they consider FCA and PRA guidance that the Society should adopt a policy of promoting diversity on the board and throughout the Society in its entirety.
- The Committee will ensure that any recruitment process is fair, open and equitable.

4. Principal Duties

Strategy & Policies

Responsibility: P&CC Chair

- Give full consideration to succession planning, taking into account the current and future strategic and operational requirements of the Society and therefore the skills and expertise needed from both existing and future colleagues.
- Provide oversight of the Society's People Strategy, ensuring appropriate Performance Management and Learning & Development is in place to support

colleagues in delivering their responsibilities which in turn promotes a positive workplace culture.

- Provide oversight of the Society's Social Purpose and Community Engagement strategies to ensure strategic and cultural alignment.
- Provide oversight of the scope and embedding of Society HR policies such as colleague wellbeing, sickness and absence, disciplinary, grievance and whistleblowing.
- Ensure that any annual notifications under Section 64C of the Financial Services and Markets Act 2000 for breach of conduct rules and disciplinary action are reported and, if required, make a follow up notification to update a previous notification.

Succession Planning, Recruitment & Development

Responsibility: P&CC Chair, unless a Board Role where the Board Chair

- Regularly review the structure, size and composition of the Board (including skills, knowledge and experience) and agree any changes.
- Review the leadership needs of the Society, both Executive and Non-Executive, with a view to ensuring the continued ability of the Society to compete effectively in the marketplace.
- Consider the appropriate methods of recruitment to any role, (for example recruitment campaigns to be managed internally or with the support of an external agency)
- Consider candidates from a diverse range of backgrounds and ensure that there is no discrimination in the selection, interview or appointment of board members.
- Liaise with Regulators as appropriate on any potential appointments and comply with any regulatory requirements.
- Ensure that an induction training programme is in place for new Non-Executive Directors and Board Executive appointments.
- Review annually the time required from a Non-Executive Director
- Review the Non-Executive Director's re-appointment at the conclusion of any specified term of office, as appropriate under the Society's Rules, in respect of retirement by rotation

- Monitor professional development undertaken by board members to ensure it is sufficient to ensure their skills are current and relevant.

Remuneration

Responsibility: P&CC Chair

- Agree with the Board the framework or broad policy for the remuneration of the Society's Chair, the Executive Directors and members of Senior Management Team (Non-executive remuneration is approved by the Board)
- Seek advice from the Chief Executive in relation to executive board members and Senior Managers performance and any recommendation in relation to remuneration, but ultimately P&CC are responsible for approving Director level remuneration.
- Ensure that the remuneration of non-executive directors is a matter for the Chair and the Executive Directors of the Board
- Ensure that no director or manager shall be involved in any decisions in respect of his/her own remuneration.
- Recommend and monitor the level and structure of remuneration for executive/senior management.
- Consider all factors which it deems necessary when considering levels of remuneration including the relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated any guidance.
- Ensure that Executive Directors and members of Senior Management are provided with appropriate remuneration to encourage enhanced performance, in a fair and responsible manner and reward them for their individual contributions to the success of the Society.
- Review and have regard to the remuneration trends across the building society sector in order to maintain accurate remuneration benchmarks, by obtaining reliable, up to date information about remuneration in other societies of a comparable scale and complexity.
- Determine the policy for and scope of pension arrangements for each Executive Director and member of senior management.
- Ensure that contractual terms on termination and any payments made are fair to the individual and the Society, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

- Oversee any major changes in employee benefits structures throughout the Society.
- Work and liaise as necessary with other Board Committees