

STOCKPORT CREDIT UNION TERMS OF REFERENCE TO THE NOMINATIONS COMMITTEE

1. GENERAL

- 1.1 The Nominations Committee is a committee of the Board of the Stockport Credit Union.
- 1.2 The Nominations Committee considers matters in relation to potential senior appointments by the Credit Union including the Chairman, Non-Executive Directors and the General Manager, any permanent or fixed-term appointments to the staff and for the determination and management of the training needs of members of the Board of Directors, staff and volunteers of the Credit Union.
- 1.3 The Nominations Committee reports to the Board of the Credit Union and conducts its business in accordance with the Rules, these Terms of Reference, any applicable legislation and the Credit Union's Policies, Principles and Values.

2. MEMBERSHIP

- 2.1 Membership and the Chairman of the committee will be determined by the Board of the Credit Union. The committee will consist of at least two Non-Executive Directors.
- 2.2 A majority of the Committee must be Non-Executive Directors.
- 2.3 Only members of the committee have the right to attend committee meetings but other individuals may be invited to attend whole or part of the meeting if appropriate.

3. MEETINGS

- 3.1 The Chairman of the committee will chair each meeting of the Nominations Committee. In the case of the absence of the Chairman the members of the Committee present will elect one of their number to chair the meeting.
- 3.2 The committee will meet at least three times a year and at such other times as the Chairman of the committee shall require.
- 3.3 The date and time of any meeting will not be changed without all members of the committee being given at least one week's notice of the revised date of any such revision.
- 3.4 A quorum will consist of two committee members. Committee members may be present in person or through any other means of communication but to count towards a quorum, committee members must be able fully to hear and participate in the committee's proceedings.
- 3.5 The content of the agenda for each meeting shall be drafted by the Chairman of the committee.
- 3.6 The agenda and papers for each meeting will be circulated to members of the committee at least one week prior to the meeting. Papers not complying with these

requirements will not be tabled at the meeting, except in exceptional circumstances, and only then after the prior approval of the Chairman.

- 3.7 The Chairman may vote on any issue as an ordinary member of the Committee. If having done so the voting is level they may if they so decide exercise an additional casting vote to decide the issue.
- 3.8 The Chairman of the committee will act as Secretary to the committee and is responsible for producing Minutes of the committee meetings. The Minutes will be circulated to all committee members within two weeks of each meeting, unless otherwise agreed.

4. MAIN FUNCTIONS

4.1 The committee will:

- 4.1.1 Regularly review the structure size and composition (including skills, knowledge, independence, diversity and experience required) of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- 4.1.2 Give full consideration to succession planning for Directors taking into account the challenges and opportunities facing the Credit Union, and what skills and expertise are therefore needed on the Board in the future;
- 4.1.3 Work with the General Manager to ensure that appropriate internal and external resources are in place to implement the Credit Union's Business Plans successfully with a view to ensuring the continued ability of the Credit Union to complete effectively in its marketplace.
- 4.1.4 Be responsible for overseeing any major changes in employee and volunteer benefit structures, remuneration levels, salary awards, pensions, the terms and conditions of employment and any other related matters for the staff and volunteers of the Credit Union; and
- 4.1.5 Keep up to date and fully informed about strategic issues and commercial changes affecting the Credit Union and the market in which it operates.

4.2 The committee will also make recommendations to the Board concerning:

- 4.2.1 The development and implementation of a formal induction programme for Board Directors;
- 4.2.2 Relevant Director and staff training and an assessment of the take-up of such training on an annual basis; and
- 4.2.3 Any other duties as assigned by the Board in so far as they relate to nominations.

5. STANDARDS

- 5.1 It is the responsibility of the committee to monitor that the committee follows appropriate good practice as laid down in the Credit Union's Policies, Principles and Values.
- 5.2 The committee should take due regard of regulatory requirements and guidelines, applicable legislation and the Credit Union's business needs in its deliberations.

6. REPORTING

- 6.1 The Chairman of the committee shall report formally to the Board on the committee's proceedings after each meeting or more frequently if they deem it appropriate.
- 6.2 The committee will make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

7. AUTHORITY

- 7.1 The committee is authorised to seek any information it requires from any employee of the Credit Union in order to perform its duties.
- 7.2 Following the prior approval of the Chairman of the Credit Union which will not reasonably be withheld a committee member is authorised to obtain at the Credit Union's reasonable expense outside legal or professional advice on any matters within these Terms of Reference.

8. CHANGES IN CIRCUMSTANCES AND OTHER INTERESTS

- 8.1 Committee members will adhere to the Credit Union's Rules and relevant legislation or regulation.
- 8.2 All committee members are required to notify the Company Secretary of all other bodies in which they have a significant interest or of which they are an Employee, Director, Partner, Trustee or for which they perform a similar role.
- 8.3 Whenever a committee member finds themselves in a situation that is reasonably likely to give rise to a Conflict of Interest, they must declare their interest to the committee unless, or except to the extent that, the other committee members are or ought reasonably to be aware of it already.
- 8.4 If any question arises as to whether a committee member has a Conflict of Interest, the question shall be decided by a majority decision of the other members of the committee.
- 8.5 All declarations of conflicts of interest shall be recorded in the Minutes of the meeting.
- 8.6 Whenever a committee member has a Conflict of Interest in the subject matter under discussion then they shall:

- 8.6.1 Remain only for such part of the meeting as in the view of the other committee members is necessary to inform the debate;
 - 8.6.2 Not be counted in the quorum for that part of the meeting; and
 - 8.6.3 Withdraw from the meeting during the vote and have no vote on the matter.
- 8.7 When a committee member has a Conflict of Interest which he or she has declared to the committee, he or she shall not be in breach of his or her duties to the Credit Union by withholding confidential information from the Credit Union if to disclose it would result in a breach of any other duty or obligation of confidence owed by him or her.
- 8.8 All Committee members are required to notify the Board Secretary of any changes in circumstances which may affect their ability to perform their role as a member of the Nominations Committee.

9. MONITORING

- 9.1 The committee will periodically review these Terms of Reference and make any necessary proposals to the Board as to their amendment.
- 9.2 Periodically report to the Board on the effectiveness of the committee; and
- 9.3 Be provided with appropriate and timely training both in the form of an induction programme for new members and on an on-going basis.