

Board Composition and Diversity Policy

Audience	All Colleagues – Principality Building Society; Contractors; external consultants; agency colleagues; temporary colleagues; Suppliers providing goods and services to Principality Building Society.
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Document History

Version	Author	Change	Date
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3.1	Michael Borrill	Annual Review	Nov 2019
4.1	Katerina McKiver	Incorporated wording into the current policy template. Reviewed in line of the PRA letter dated March 2020 – PRA rules on Board Diversity.	May 2020
4.1.1	Michael Borrill	Additional further amendments	Nov 2020
4.1.2	Michael Borrill	Additional further amendments	Jan 2021
4.1.3	Michael Borrill	Additional further amendments	March 2021

Related documents

Reference	Title
	Corporate Governance Manual
	Equality, Dignity and Diversity Policy

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1. Introduction & Scope of the Policy

The Board are committed to providing an inclusive culture in which the whole organisation works together, where difference is celebrated and where colleagues can bring “themselves” to the organisation. This statement on Board composition and diversity is intended to make clear to all our stakeholders that these values and beliefs similarly apply to the Board. In line with Rule 12 (1) of the Society, the Board of Directors must not be comprised of more than 14 nor less than 7 members at least half of the Board should comprise Non-Executive Directors. This provides the opportunity to ensure that the Board of Directors is diverse, inclusive and can represent the communities it serves.

The Board Composition Policy should be read in conjunction with the Society’s Equality Diversity and Dignity Policy.

2. Requirement:

Achieving a diversity and balance of skills, independence and experience shall be the key determinant of any new appointment to the Board where selection of the most suitable candidate will be paramount. This will benefit the effectiveness of the Board by creating a breadth of perspective among Directors which reflects the Members that it represents.

No candidate for Board membership shall be discriminated against on grounds of gender, marital status, race, ethnic origin, colour, nationality, disability, sexual orientation, religion, age, social circumstances or any other irrelevant factor.

Realising the benefits of diversity the Board will endeavour to ensure an appropriate balance and diversity in its broadest sense including (but not limited to) diversity of gender, ethnicity, disability, sexual orientation, age, religion, and geography. This will include ensuring that the representation of either males or females does not fall below 33% of its composition and a minimum target of at least two directors having a diverse background.

The Governance and Nomination Committee will endeavour to ensure that the Board and Board Committees have the capabilities required to be effective and oversee the organisation’s strategic priorities. This will include an appropriate range and balance of skills, experience, knowledge and behaviours.

In order to perform a controlled function all Directors must meet the test of fitness and propriety prescribed by the Prudential Regulation Authority and Financial Conduct Authority at all times and must receive approval from the PRA and FCA where necessary before taking up their role.

3. Reporting:

The Governance and Nominations Committee will report annually, in the Corporate Governance section of the Annual Report and Accounts, on the process used in relation to Board appointments. This report will include a summary of the Board Composition Policy with update on the gender and BAME ratios of Board membership.

4. Reviews:

The Governance and Nominations Committee will review the Policy periodically but not less than triennially. This will include an assessment of its effectiveness and whether the desired gender and BAME representation levels remain appropriate. The Committee will recommend any necessary Policy revisions to the Board for approval.