

Principality Building Society

Governance and Nominations Committee Terms of Reference

Date of approval	February 2026		
Role	<p>The Governance and Nominations Committee is a committee of the Society's Board which leads the process and makes recommendations to the Board in respect of the following:</p> <ul style="list-style-type: none"> • Board and SMF appointments. • The appointment of the Senior Independent Director and Board Whistleblowing Champion. • Membership of the Audit, Remuneration, Board Risk Committees, in consultation with the Chairs of the same. • The re-appointment of any Non-Executive Director at the conclusion of their specified term of office, having regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required. • The re-election by members of any director under the "retirement by rotation" provisions in the Society's rules having regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required. • Any matters relating to the continuing in office of any Director or Executive Committee member at any time including the suspension or termination of service of any executive director as an employee of the Society subject to the provisions of the law and their service contract. 		
Membership	Chair of the Board (Chair) and Non-Executive Directors.		
Chair	The Chair of the Society will chair the Committee. In the absence of the Committee Chair at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.		
Secretary	The Secretary of the meeting will be agreed between the Chair of the Meeting and the Society Secretary.		
Attendees	Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of the meeting, as and when appropriate.		
Frequency	The Committee meets a minimum of four times per annum.		
Quorum	Three members including the Chair or a nominated alternate. A member participating by way of conference call or other communications equipment shall be counted in the quorum accordingly.		
Written Resolutions	Written resolutions may be used in accordance with the Society's Rules.		
Meeting papers and minutes	<p>The Secretary of the Committee shall circulate the Agenda and papers for each meeting of the Committee no less than five working days in advance of the relevant meeting.</p> <p>Minutes will record the proceedings, resolutions and decisions including recording the names of those present and in attendance and record any declarations of interest/conflicts of interest disclosed at meetings. The minutes of the meeting shall be approved at the next meeting.</p>		
Mandate	The Committee is authorised to carry out activities at the request of the Board appropriate to its Role.		
Reports to	This Committee reports to the Society's Board.		
Sub Committees	None.		
Responsibilities	<i>Purpose</i>	<i>Matter</i>	<i>Frequency</i>
	1. STRATEGY		
	1.1 Responsibility	Set and monitor diversity and inclusion objectives and strategies for the Board and Executive Committee.	Annually

2. CULTURE & LEADERSHIP		
2.1	Oversight	To review succession planning for members of the Board and Executive Committee taking into account the challenges and opportunities facing the Society.
2.2	Approve	The appointment of any SMF holders.
2.3	Recommend	The appointment of CEO, CRO and CFO to board.
2.4	Responsibility	In the recruitment process the Committee shall normally utilise a range of facilitators taking into account the role profile, skills required including but not limited to the use of open advertising and the appointment of recruitment partners
3. CORPORATE GOVERNANCE MATTERS		
3.1	Recommend	Annually review the structure, size and composition (including the skills, knowledge, qualities, competencies and experience) required of the Board of Directors compared to its current position and make recommendations to the Board with regard to any change.
3.2	Oversight	Review annually whether or not each non-executive director has been able to devote enough time to adequately fulfil their duties.
3.3	Oversight	Regularly review the adequacy of arrangements leading the development of; and monitoring the effective implementation of; policies and procedures for the induction, training and professional development of all members of the firm's governing body.
3.4	Oversight	Not less than annually satisfy itself that appropriate corporate governance arrangements have been maintained having regard to the provisions contained in the UK Corporate Governance Code.
3.5	Oversight	To determine and lead the process for the annual Board Effectiveness Review, engaging external independent facilitators as required and overseeing the implementation of the action plan.
3.6	Oversight	Not less than annually review the Register of Directors' Interests.
3.7	Recommend	Not less than annually 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.
3.8	Oversight	Review Triennially the Board Composition Policy.
3.9	Oversight	Determine appropriate training and development for Committee Members both on appointment and on an ongoing basis to ensure that Members of the Committee are appropriately skilled.