



Terms of Reference ("ToR")

Lincolnshire Co-op Search and Governance Committee

(as approved by the Board on 11 December 2023)

1. Purpose

- 1.1 The role of the Committee is to ensure that the Board is of an appropriate size and has an appropriate balance of knowledge, skills and experience to lead the Society.
- 1.2 Ensuring plans are in place for orderly succession to both the Board and senior management positions and overseeing the development of a diverse pipeline for succession.
- 1.3 Overseeing the Society's compliance with, and approach to, all applicable regulation and guidance related to corporate governance matters.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board and shall be made up of at least four members, not more than two of whom shall be an employee of the Society.
- 2.2 Only members of the Committee, and the Group Secretary & General Counsel (or the person nominated to service the Committee) have the right to attend meetings of the Committee. However, other individuals such as members of the Board, Executive Leadership Team, Senior Leadership Team, and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.3 The Board shall appoint the Committee chair, who should ordinarily be the Chair of the Board. In the absence of the Committee chair and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 2.4 The Chair of the Board shall not chair the Committee when it is dealing with the matter of Chair succession.

3. Secretary

The Group Secretary & General Counsel, or his or her nominee, shall act as the Secretary of the Committee.

4. Quorum

The quorum necessary for the transaction of business shall be three (3) members. A duly convened meeting of the Committee at which a quorum is present shall be



competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of meetings

The Committee shall meet at least four (4) times a year or on a more frequent basis as agreed by the Chair of the Committee.

6. Notice of meetings

6.1 Meetings of the Committee shall be summoned by the Group Secretary & General Counsel.

6.2 Unless otherwise agreed, 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 directors, as soon as practicable in advance of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

7. Minutes of Meetings

7.1 The Group Secretary & General Counsel, or nominee, shall minute the proceedings and resolutions of all Committee meetings including the names of those persons in attendance.

7.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the board unless a conflict of interest exists.

8. Annual General Meeting

The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any member question on the Committee's activities.

9. Duties of the Committee

9.1 The Committee shall:

9.1.1 Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.

9.1.2 Review succession planning for Board members (including appointed directors) and members of the Executive Leadership Team taking into account the challenges and opportunities facing the Society and what skills and expertise are expected to be needed by the Board in the future.

9.1.3 Oversee the development of a diverse talent pipeline for succession to Board and Executive Leadership Team roles.



- 9.1.4 Identify and nominate candidates to fill Board vacancies including appointed director vacancies as and when they arise having evaluated the balance of skills, experience, independence, diversity and knowledge on the Board. In light of this evaluation the Committee will prepare a description of the role and capabilities required for a particular appointment.
- 9.1.5 When identifying suitable candidates:
- consider candidates from a wide range of backgrounds to ensure prospective Directors reflect the Board's objectives to be diverse and retain a strong mix of relevant qualifications and experience;
 - consider candidates on merit and against objective criteria, and with due regard for the benefits of diversity on the Board, including gender, social and ethnic backgrounds, cognitive and personal strengths, and taking care that appointees have enough time available to devote to the position;
 - where appropriate, convene a panel of Committee members and Executive Leadership Team members to provide to the Committee as a whole with objective recommendations on candidates, taking full account of the criteria outlined above, and the professional views of advisors appointed by the Committee to assist in this activity; and
 - considers the use open advertising or the services of external advisers to facilitate the search, including those recommended by Co-operatives^{UK}.
- 9.1.6 Be responsible for the nomination of the Society's Chair for approval by the board.
- 9.1.7 Keep under review the leadership needs of the organisation, both Executive Leadership Team and Society Non-Executive Directors as well as the Senior Leadership Team, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- 9.1.8 Keep under review and monitor whether Board members are able to devote enough time to adequately fulfil their duties.
- 9.1.9 Ensure that, prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.
- 9.1.10 Ensure that a proposed director's other significant commitments are disclosed to, and approved by, the Board before appointment. Any changes to an existing director's significant commitments should be reported to, and approved by, the



Board prior to acceptance, and reasons for the Board's approval should be disclosed in the annual report.

- 9.1.11 Not less than annually review the Register of Directors' Interests and not less than triennially review and approve the Gifts and Hospitality Policy.
- 9.1.12 Ensure that, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.
- 9.1.13 Determine and lead the annual Board Effectiveness Review process, engaging external independent facilitators as required overseeing the implementation of any recommendations or action plan.
- 9.1.14 Oversee plans for directors' induction, in conjunction with the Group Secretary & General Counsel, and ensure appropriate ongoing training.
- 9.1.15 Not less than annually satisfy itself that appropriate corporate governance arrangements have been maintained having regard to the provisions of the UK Corporate Governance Code/Co-operative Corporate Governance Code and make recommendations as appropriate.
- 9.1.16 Monitor developing trends, initiatives or proposals and make recommendations on implementation to the Board on governance issues including board policies and practices as necessary or appropriate to enable the Board to operate effectively and efficiently.
- 9.1.17 Review the Corporate Governance Report to be contained in the annual report, focusing particularly on any areas in which the Society has departed from the provisions of the Co-operative Governance Code. The Committee shall make a recommendation to the Board as to the annual statement to be made by the Society regarding compliance with the Code, including any explanations of any areas of non-compliance.
- 9.1.18 Review the members of the Audit & Risk, Remuneration and Member & Engagement committees, in consultation with the chairs of those committees and the full Board to ensure they are optimal.

10. Reporting Responsibilities

- 10.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.



- 10.3 The Committee shall make a statement in the annual report about its activities, the process used to make appointments of non-elected directors, approach to succession planning, and how these support the development of a diverse talent pipeline. If external advice or open advertising has not been used, the report shall also provide an explanation as to why. Where an external search agency has been used, it shall be identified and a statement made as to whether it has any connection with the Society.
- 10.4 To disclose in the annual report how the annual Board evaluation has been conducted and the outcomes and actions taken.

11. Other Matters

- 11.1 The Committee shall, at least once a year, review its own performance and terms of reference, to ensure it is operating at maximum effectiveness. This evaluation should recommend any changes it considers necessary to the Board for approval.
- 11.2 The Committee shall, have access to sufficient resources in order to carry out its duties and be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.