

## UNITY TRUST BANK PLC (“the Bank”)

### NOMINATION COMMITTEE

#### Terms of Reference

1. **Constitution**

The Board Nomination Committee (the Committee) was established by a resolution of the Board of Unity Trust Bank plc (the Bank) on 21 May 2015. The Terms of Reference were revised and approved by the Board on 5 May 2016.

2. **Membership**

2.1 The Committee shall consist of four Non-Executive Directors, including at least two Directors determined by the Board to be independent on appointment.

2.2 The membership of the Committee shall be reviewed by the Chair on an annual basis.

2.3 The Committee Chair shall normally be the Chair of the Board. In his absence, where there are three Committee members present, they shall appoint one of themselves to chair the meeting. The Chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

3. **Quorum**

The quorum shall be two members, at least one of whom must be a director determined to be independent on appointment.

4. **Attendance at the Meetings**

4.1 No one other than the Committee Chair and its members shall be entitled to attend meetings of the Committee, unless at the invitation of the Chair.

4.2 The Company Secretary of the Bank will be secretary to the Committee. The Secretary will ensure that the Committee receives information and shall circulate the minutes of the meeting to all members of the Board, unless it would be inappropriate to do so.

5. **Frequency**

The committee shall meet twice a year or more frequently if circumstances require.

6. **Authority**

The Committee is authorised to use any forms of resources it deems appropriate, including external legal or other professional advice on any matters within its Terms of Reference at the Bank’s expense, within any budgetary restraints imposed by the Board.

7. **Responsibilities**

The responsibilities of the Committee are set out below.

The Committee shall:

**In relation to the Board and its Committees**

- 7.1 in accordance with the framework set out in Article 24.2, regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regards to any changes. Take account of the need to ensure that the Board's decision making is not dominated by any one individual or small group of individuals in a manner that is detrimental to the interest of the Bank as a whole.
- 7.2 review the Corporate Governance Framework and make recommendations to the Board.
- 7.3 review the Board Diversity Policy and associated objectives, and make recommendations to the Board.
- 7.4 make recommendations to the Board concerning membership of the Audit and Board Risk committees, and any other board committees as appropriate, in consultation with the chairs of those committees.
- 7.5 keep under review the leadership needs of the Bank, both Executive and Non-Executive, with a view to ensuring the continued ability of the Bank to compete effectively in the marketplace.
- 7.6 keep up to date and fully informed about strategic issues and commercial changes affecting the Bank and the market in which it operates.
- 7.7 give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Bank and what skills and expertise are therefore needed on the Board in the future.
- 7.8 make recommendations to the Board concerning plans for succession for both Executive and Non-Executive Directors.
- 7.9 make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time.

**In making particular nominations**

- 7.10 be responsible for identifying and nominating for the approval of the Board, and shareholders at the AGM, candidates for Board positions, including both Executive and Non-Executive Directors.
- 7.11 before making a nomination evaluate the balance of skills, knowledge and experience of the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment including the time commitment expected.
- 7.12 consider candidates from a wide range of backgrounds.
- 7.13 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender.
- 7.14 prior to the appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest or conflict with the

Bank's values, and to report any future business interests that could result in a conflict of interest or values.

- 7.15 ensure that Board members do not hold more directorships than is appropriate taking into account individual circumstances and the nature, scale and complexity of the Bank's activities.
- 7.16 make recommendations to the Board concerning re-election by shareholders of any Director under the retirement by rotation provisions in the Bank's Articles of Association, having given due regard to their performance and ability to continue to contribute to the board in the light of knowledge, skills and experience required.

**In relation to Executive Directors**

- 7.17 make recommendations to the Board concerning the appointment of any Director to Executive or other office.
- 7.18 consider requests from members of the Executive wishing to take on an external Non-Executive directorship and make recommendations to the Board.

**In relation to Non-Executive Directors**

- 7.19 in preparation for a forthcoming vacancy, review an analysis of the Board's skills and identify the skill gaps to be filled by the appointment.
- 7.20 consider the fitness and propriety of candidates for board positions, based on the candidate's competence and capability in line with PRA expectations.
- 7.21 ensure that on appointment to the Board, Directors receive a formal letter of appointment and a role profile setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.
- 7.22 review annually the time required from a Non-Executive Director. Performance evaluation should be used to assess whether the Non-Executive Director is spending enough time to fulfil their duties.
- 7.23 make recommendations to the Board concerning the re-election of any Non-Executive Director at the conclusion of their specified term of office.

**8. Other matters**

The committee shall:

- 8.1 include on the Bank's website a description of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.
- 8.2 the Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.3 make whatever recommendations to the Board it deems appropriate to any area within its remit where action or improvement is needed.
- 8.4 make available its terms of reference explaining clearly its role and the authority delegated to it by the Board.

- 8.5 The Committee Chair should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.
- 8.6 Annually review and update its Terms of Reference requesting Board approval for all proposed changes at appropriate intervals, evaluate its own performance against its terms of reference and best practice.
- 8.7 Ensure that induction and ongoing training is provided to members and shall include an understanding of the principles of and development in financial reporting, company law and regulatory requirements.