



TERMS OF REFERENCE

The Royal London Mutual Insurance Society
Limited
Nominations and Governance Committee
(the “Committee”)

Version	1.0
Author	Group Company Secretarial
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The Royal London Mutual Insurance Society Limited

Nominations and Governance Committee terms of reference

1 Role

1.1 The role of the Committee is to support the Board of The Royal London Mutual Insurance Society Limited (the "Company") and its subsidiaries (the "Group") in the appointment of Directors of the Company, Directors of Group Companies and Senior Executives (being members of the Group Executive Committee ("GEC"), the Company Secretary, General Counsel, Group Chief Risk Officer, Group Head of Compliance, Group Audit Director, With-Profits Actuary, Investment Office Director, RLAM Head of Compliance and RLAM Chief Risk Officer) and to ensure that the Group is managed to high standards of Corporate Governance.

2 Membership

2.1 The Committee comprises at least three Directors, all of whom are independent Non-Executive Directors.

2.2 Only members of the Committee have the right to attend Committee meetings. Other individuals may be invited by the Committee Chair to attend all or part of meetings.

2.3 Appointments to the Committee are made by the Board and will be for a period of up to three years, which, subject to satisfactory performance, may be extended for further periods of up to three-years, provided the Director still meets the criteria for membership of the Committee.

2.4 The Chair of the Committee will be the Company Chairman unless he is conflicted in which case the Senior Independent Director ("SID") will be the Acting Chair. If the Company Chairman and SID are conflicted, the Board will set up a special purpose committee to advise the Nominations and Governance Committee. In the absence of the Committee Chair, the SID will be the Acting Chair.

2.5 For senior appointments, the Committee may convene a selection committee which will comprise a non-conflicted Chair (the Company Chairman or failing him, the SID or failing him another NED) and other selected Non-Executive directors. The terms of reference of the selection committee will be approved by the Board.

2.6 The Company Chairman shall not chair the Committee when it is dealing with the matter of succession to the Company Chairmanship.

2.7 Membership of the Committee will be reviewed annually by the Committee Chairman in consultation with the SID.

3 Secretary

3.1 The Company Secretary or his or her nominee is the Secretary of the Committee.

3.2 The Secretary will be responsible for ensuring that the Committee complies with its terms of reference.

4 Quorum

4.1 The quorum is two members. Members may attend in person or by telephone or video conference. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all of the authorities, powers and discretions vested in the Committee.

4.2 Circulated written resolutions constitute a resolution of the Committee.

5 Frequency of meetings

5.1 The Committee will meet at least four times a year.

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6 Notice of meetings

- 6.1 Committee meetings will be convened by the Secretary at the request of the Committee Chair or the SID.
- 6.2 Unless otherwise agreed with the Committee Chair, notices of meetings confirming the venue (or medium), time and date together with the agenda and supporting papers, will be forwarded to each member of the Committee no later than five working days before the date of the meeting. Relevant papers may be made available to other individuals required to attend.

7 Minutes of meetings

- 7.1 The Secretary will minute the proceedings and resolutions of meetings, record declarations of interest and those present and in attendance.
- 7.2 Draft minutes will be circulated promptly to the Committee Chair and subsequently be circulated to Committee members for approval and to the Company Chairman. Approved minutes will be signed by the Committee Chair and be made available to the Board.

8 Duties

8.1 Advice to the Board

- 8.1.1 Proposals to appoint, suspend or remove Directors of the Company
- 8.1.2 Assessments of the independence of Non-Executive Directors and the acceptance or rejection of actual or potential conflicts of interests of Directors
- 8.1.3 Responses to more than 20% opposition to any resolution proposed by the Directors at a General Meeting
- 8.1.4 The appointment, removal or suspension of Chairs and members of the Board's committees and of the Independent Governance Committee
- 8.1.5 The terms of service or employment contracts of any Director of the Company
- 8.1.6 Recommendations for changes to the terms of reference of the Board, any of its committees and of the Independent Governance Committee (in the case of the Nominations and Governance Committee having conducted annual reviews of the Committee's performance to ensure it is fully discharging its responsibilities).

8.2 Advice to the Board after having received the advice of the CEO:

- 8.2.1 Recommendations of any significant changes to the Group's governance or management structures.

8.3 Other duties

- 8.3.1 Determine the job description of the Company Chairman, Senior Independent Director and each executive director
- 8.3.2 Annually review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Committees
- 8.3.3 Before any Board appointment, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of the evaluation, prepare the description of the role and capabilities required for an appointment
- 8.3.4 Undertake succession planning for the Company Chairman, Executive Directors and Non-Executive Directors, taking account of: Committee and subsidiary chairmanships and memberships; skill sets; diversity; time availability; and the maximum duration of time that can be served on the Board

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- 8.3.5 Review annually prior to the AGM when Directors seek re-election and prior to the expiration of their term of office whether to recommend the reappointment or retirement of a Director. The Committee should consider each Director's Board and Committee performance as well as his/her skill set assessed against the skills and experience required in the future and the need for progressive refreshing of the Board (particularly in relation to Directors being re-elected for a term beyond six years)
- 8.3.6 Led by the SID and without the Company Chairman being present, annually consider the performance of the Company Chairman; determine whether the Company Chairman should be recommended for re-election by members; and via the SID, provide feedback to the Company Chairman
- 8.3.7 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
- 8.3.8 Appoint a Non-Executive Director as the whistleblowing champion
- 8.3.9 Either designate a Non-Executive Director as the employee champion or approve alternative arrangements
- 8.3.10 Review, on an annual basis, an assessment of the continued fitness and propriety of Senior Management Function (SMF) holders (including notified Non-Executive Directors) together with the Responsibilities Map
- 8.3.11 At least every three years and as required, review and approve:
 - 8.3.11.1 The Group's Corporate Governance framework
 - 8.3.11.2 The Board's and the GEC's diversity policies
- 8.3.12 Consider the Company Chairman's recommendation as to how to evaluate the Board annually, ensuring that at least in every third year there is an external evaluation
- 8.3.13 Review the results of the Board performance evaluation process that relate to the composition of the Board and formulate improvement objectives.
- 8.3.14 Having received the advice of the Chief Executive:**
 - 8.3.14.1 Review and, where appropriate, approve appointments of executives to boards of non-Group companies
 - 8.3.14.2 Periodically review the structure, size and composition (including the skills, knowledge, experience and diversity) of the GEC.
- 8.3.15 Having received the advice of Committees in accordance with their terms of reference and the Chief Executive:**
 - 8.3.15.1 Approve the terms of employment contracts; appointments, departures or suspensions of Senior Executives
 - 8.3.15.2 Oversee succession and development planning for Senior Executives, taking account of: the challenges and opportunities facing the Group; required skill sets; and diversity
 - 8.3.15.3 Periodically review the Group's talent management programme, including measures being taken to improve the pipeline of diverse internal and external succession candidates
 - 8.3.15.4 Approve appointments, removals and suspensions of employees to the boards of Group companies and periodically review the internal succession pool for such appointments
 - 8.3.15.5 Approve the appointment, removal and suspension of the Chair and independent Non-Executive directors of subsidiary boards.

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9 Reporting

- 9.1 The Committee Chair will update the Board on the Committee's proceedings (noting any approvals and recommendations for approvals) after each meeting.
- 9.2 The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit.
- 9.3 The Committee will produce reports to be included in the Company's Annual Report and Accounts on corporate governance and the Committee's activities. The reports will be fair, balanced and understandable and apply best practice reporting.
- 9.4 The Committee Chair should attend the Annual General Meeting to answer members' questions on Corporate Governance and the Committee's activities.

10 Other matters

- 10.1 As applicable to the Committee's duties, the Committee will ensure compliance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Amendment Regulations 2013, the Corporate Governance Code and the rules of the PRA, FCA and CBI.
- 10.2 The Committee will have access to sufficient resources to carry out its duties.
- 10.3 The Committee will 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.
- 10.4 The Committee is authorised to obtain, at the Company's expense, outside legal, human resources and other professional advice on any matter within its terms of reference.

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Version approvals

Version	Approved by N&GC	Approved by Board	Posted on website
1	25 June 2020	25 June 2020	18 November 2020