

THE BRITISH UNITED PROVIDENT ASSOCIATION LIMITED

NOMINATION & GOVERNANCE COMMITTEE

Terms of Reference

1. Constitution and Role

The Committee's current Terms of Reference were reviewed and adopted by a resolution of the Board on 6 December 2023.

These Terms of Reference set out the authorities and responsibilities delegated to the Committee by the Board.

The purpose of the Committee is to:

- (i) lead the process for Board appointments ensuring plans are in place for orderly succession;
- (ii) to oversee the appointment and orderly succession of Association members of the Company, and non-executive directors and members of major subsidiary companies (including advisory boards, committees or other governance bodies established to oversee the operations of subsidiaries); and
- (iii) to monitor the Company's corporate governance arrangements and advise and make recommendations to the Board on best practice corporate governance standards.

2. Membership and Secretary

2.1 Composition

The Committee shall comprise at least three members, all of whom shall be Independent Non-Executive Directors, including the Senior Independent Director and the Board Chair.

The Committee Chair and its members shall be appointed by the Board and (in respect of its members) in consultation with the Nomination & Governance Committee Chair.

2.2 Chair

The Senior Independent Director or another Independent Non-Executive Director should chair the Committee when it is dealing with the appointment of a successor to the Board Chair.

In the absence of the Committee Chair, the members present at any meeting shall select one of their number to chair the meeting.

2.3 Disclosure of interests

Each member of the Committee shall disclose to the Committee:

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- (i) the nature of any direct or indirect, actual or potential, interest in any proposed transaction or arrangement with the Company; and
- (ii) any direct or indirect, actual or potential conflict with the interests of the Company arising in relation to any business of the Committee.

Any such member shall abstain from voting on resolutions that relate to such an interest or conflict. They shall also recuse themselves from all discussions on such matter, unless otherwise authorised by the Board.

2.4 **Secretary**

The Group Company Secretary or their nominee shall be the Secretary of the Committee.

3. **Meetings**

3.1 **Frequency and duration**

At least two meetings shall be held annually, with other meetings agreed by the Committee Chair. Meetings shall be of suitable duration to allow full discussion of the matters required.

3.2 **Quorum** The quorum for meetings of the Committee shall be two members present throughout the meeting either in person or via electronic means.

3.3 **Notice**

Notice of each meeting confirming the date, time and venue shall be circulated by the Secretary to all members of the Committee and to other attendees (if appropriate) as far in advance as possible.

3.4 **Meeting Papers**

Papers for each meeting shall be circulated by the Secretary to all members of the Committee and to other attendees (if appropriate) at least five working days before a meeting.

3.5 **Attendance**

Only the Committee Chair and members are entitled to be present at its meetings.

The Group Chief Executive Officer, Group Chief Financial Officer and Chief Sustainability and People Officer will be invited to attend all or part of meetings of the Committee on a regular basis.

The Committee may invite any other person(s) to attend all or part of any meeting when it considers appropriate.

No individual shall be present when their own position or succession is being discussed.

3.6 **Minutes**

The Secretary shall produce minutes of each Committee meeting within ten working days of the meeting and circulate them to the Committee Chair for

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review. Minutes should be presented to the following meeting for Committee review and approval as a true and accurate record of the meeting.

4. Duties and Responsibilities

The Committee shall:

4.1 Board candidates

Be responsible for identifying and nominating candidates to fill board vacancies (including specific role appointments, such as the SID) when they arise to the Board for the approval. In identifying suitable candidates, the Committee shall:

- (i) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- (ii) consider candidates from a wide range of backgrounds with due regard for the benefits of diversity on the Board; consider candidates from a wide range of backgrounds; and
- (iii) use open advertising and search consultants where necessary to identify candidates.

Make recommendations to the Board regarding any matters relating to the continuation in office of any Executive Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company, subject to the provisions of the law and any applicable service contract.

4.2 Role Profile

Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for particular roles and appointments.

4.3 Time commitment and Independence

- (i) Annually, and prior to appointment, review the time required from Non-Executive Directors; and
- (ii) Referring to the outcomes of the Board's performance evaluation:
 - a) assess whether the Non-Executive Directors are spending enough time to fulfil their duties, contributing effectively and demonstrating commitment to the role (including the commitment of time for board and committee meetings and other duties); and
 - b) review the Non-Executive Directors' external interests and continuing independence.

4.4 Structure, size and composition

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

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4.5 **Succession planning**

Ensure plans are in place for orderly succession to the Board and conduct an annual review of succession planning for Non-Executive Directors, taking into account the challenges and opportunities facing the Company, and which skills and expertise are therefore needed on the Board in the future. Succession plans should consider the appropriate and timely refreshment of Non-Executive Directors to ensure stability and continuity on the Board.

The Committee shall make recommendations to the Board regarding succession plans for the Board, Committee Chairs and Senior Independent Director (SID), and any changes to the succession planning process if its periodic assessment indicates its desired outcomes have not been achieved.

4.6 **Leadership Needs**

Keep the leadership needs of the Company under review (both Executive and Non-Executive Directors) with a view to ensuring the continued ability of the Company to compete effectively in the market.

4.7 **Letter of appointment**

Ensure that all Non-Executive Directors receive, on their appointment to the Board, a formal letter of appointment to the Board setting out clearly the expected time commitment, Committee service expected of them and their involvement outside Board meetings.

4.8 **Board and Director performance review**

Oversee the annual Board performance evaluation (including the performance of the Chair of the Board and individual Directors, as required) and its principal Committees, including results that relate to its performance, the composition of the Board.

Review the results with the Board, as appropriate, and oversee the implementation of any resulting action plan.

Make recommendations to the Board in regard to:

- (i) the re-appointment of any Non-Executive Director at the conclusion of their term of office, having given due regard to their performance, commitment to the role and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required; and
- (ii) its proposals for the election or re-election of individual Directors at each Annual General Meeting of the Company having had due regard to their performance and ability, and why their contribution is important to the Company's long-term sustainable success in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board, and taking into account the length of service of individual directors, the Chair and the Board as a whole.

4.9 **Conflicts of Interest**

- (i) consider whether any conflict of interest of a director should be authorised and, if so, the terms and conditions on which any such authorisation should be given by the Board;

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- (ii) annually review any authorisation given by the Board in order to determine whether the authorisation given should stand on the terms and conditions on which it has been given or whether additional terms and conditions should be imposed or whether the authorisation should be revoked (subject to giving the relevant Director notice of the proposed revocation); and
- (iii) in the case of review of the interests of, and authorisations given by the Board to members of the Committee, the affected Director shall not participate in the review or in discussions or decisions of the Committee which relate to that director.

4.10 **Governance Developments and Standards**

Monitor:

- (i) developing trends, initiatives, or proposals;
- (ii) make recommendations to the Board on governance issues (including board policies and practices) as necessary or appropriate to enable the Board to operate effectively and efficiently; and
- (iii) the Company's compliance with the Code.

In discharging its responsibilities, the Committee shall have regard to established and evolving laws, regulations and best practice corporate governance standards including voluntary codes. Where the Committee believes that departure from these standards or codes, including the Code, is appropriate, it shall recommend to the Board the appropriate explanation or justification as required for inclusion in the Company's external disclosures.

4.11 **Association Members**

Be responsible for the identification and nomination of individuals to become Association Members to the Board

The Committee may use search consultants where it feels necessary to identify appropriate individuals.

4.12 **Subsidiary Governance**

In accordance with the Subsidiary Governance Policy, review major subsidiary corporate governance arrangements, approve the appointment of non-executive directors and non-executive chairs prior to their appointment, and the appointment of non-executive members to any advisory boards, committees or other governance bodies established to oversee the operations of subsidiaries.

4.13 **Committee performance review**

At least annually, review its own performance and composition to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

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4.14 Terms of Reference

Annually review the Terms of Reference of the Committee and its compliance with them, to ensure that they remain appropriate and fit for purpose and to recommend any changes considered necessary or desirable to the Board for approval.

4.15 Liaison with other Committees and the Board

Liaise as necessary with all other Board Committees and ensure the interaction between Committees and with the Board is reviewed regularly.

Where there is a perceived overlap of responsibilities between the Committee and another committee of the Board, the respective Committee Chairs shall have discretion to agree the most appropriate committee to fulfil any obligation. Notwithstanding paragraph 6.3, an obligation under these Terms of Reference, or of another committee of the Board, will be deemed by the Board to have been fulfilled provided it is dealt with by any committee of the Board or by the Board itself.

4.16 Other matters

Consider any other matters referred to the Committee by the Board.

5. Reporting Responsibilities

5.1 The Board

The Committee Chair (or a Committee member nominated by the Committee Chair) shall report to the Board on the proceedings of each Committee meeting and on all matters within its duties and responsibilities and make any recommendations to the Board on any area within its remit where it considers any action or improvement is needed.

5.2 Annual Report and accounts

Review and endorse for inclusion in the Company's Annual Report:

- (i) the content of the Committee's report describing its activities, including:
 - (a) the process used to make appointments, its approach to succession planning, and explain if external advice or open advertising has not been used;
 - (a) how the board evaluation has been conducted and extent the evaluator has engaged with the Board and individual directors, the outcomes taken and how it has, or will, influence board composition;
 - (b) the policy on diversity and inclusion, its objectives, linkage to Company strategy, how it has been implemented, progress on achieving the objectives , and the gender balance of those in the senior management team and their direct reports.
 - (ii) where an external search agency has been used, identify it in the Annual Report and include a statement as to whether it has any connection with the Company; and
 - (iii) review and endorse the annual Corporate Governance Report for inclusion in the Company's Annual Report.
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5.3 **AGM**

The Chair of the Committee shall attend the Company's Annual General Meeting and be available to respond to any questions on the Committee's activities and areas of responsibility.

6. **Authorities**

6.1 **Resources and support**

The Committee shall be provided with sufficient resources to undertake its duties, including appropriate and timely training, as required.

The Committee shall have access to the services of the Secretary and the Chief Sustainability and People Officer on all Committee matters.

The Committee is authorised to seek any information it requires from any Group employee to perform its duties and will advise the Group Chief Executive Officer if it has exercised this authority to seek information (other than routine information) from any employee, setting out the information required and the circumstances underlying the request.

6.2 **Investigation and advice**

The Committee is authorised by the Board to investigate any activity within its Terms of Reference and to intervene if the Committee considers it appropriate and if the Board instructs it to do so. The Committee is also authorised to obtain independent legal or other professional advice, including the advice and services of external search consultants, on any matter within its Terms of Reference, at the Company's expense, as it considers necessary. The Committee shall consult with the Board Chair before any fees are agreed.

6.3 **Delegation**

The Committee may delegate any actions in support of its function to a competent person, providing the terms of delegation are documented in the Committee's records, but it may not delegate accountability for its duties and responsibilities. Any one or more members of the Committee may represent the Committee in dealings with potential Board candidates.

7. **Definitions**

Board means the Board of Directors of the Company.

Bupa/Company means The British United Provident Association Limited (Bupa).

Group means the Company and its subsidiary companies.

Code means the UK Corporate Governance Code (as amended from time to time).

Committee means the Nomination & Governance Committee of the Board.

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Directors means directors of the Company.

Executive Director means any Director appointed to the Board of the Company who is carrying out an executive role.

Independent Non-Executive Directors means Non-Executive Directors who have been appointed to the Board of the Company as Non-Executive and who are deemed independent of the Company in accordance with the Code.