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| <b>Title</b>  | <b>Board Diversity Policy</b>         |
| <b>Owner</b>  | <b>Chairman</b>                       |
| <b>Version Number</b>   | <b>V 1.0</b>                          |
| <b>Primary Audience</b>   | <b>Nomination Committee and Board</b> |
| <b>Document Location</b>  | <b>Knowledge Hub and Website</b>      |
| <b>Objective</b>  |                                       |
| The purpose of this policy is to ensure a diverse Board composition to help Board effectively lead the Society. |                                       |

#### A. Context

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| <b>1. Introduction</b>   |
| <p><b>Business Context</b></p> <p>A diverse Board composition should help enable Board to run the business prudently and to ensure the firm’s safety and soundness and better protection of the firm’s policyholders.</p> <p><b>Legislative and Regulatory Context</b></p> <ul style="list-style-type: none"> <li>• The Equality Act 2010</li> <li>• The PRA Rulebook Conditions Governing Business – 2 General Governance Requirements</li> <li>• The Society’s Fit and Proper Policy</li> </ul>  |
| <b>2. Scope</b>  |
| The recruitment and assessment of Board members.   |
| <b>3. Risk Appetite Alignment</b>  |
| <p>The Society has no appetite to recruit or retain any Board member who does not meet requirements in relation to the following:</p> <ul style="list-style-type: none"> <li>• Appropriate personal characteristics including being of good repute and integrity</li> <li>• Creditworthiness</li> <li>• Experience, knowledge and skills</li> <li>• Qualifications</li> <li>• Criminal records barring driving convictions</li> <li>• Past business conduct.</li> </ul> <p>The Society has no appetite for a Board which cannot demonstrate diversity in skills, industry experience, background, gender, age, race, religion, sexual orientation, and other qualities of Directors.</p> |

## B. Policy Application & Management (Embedding)

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| <b>1. Roles and responsibilities</b>  |
| <p><b>The Board must:</b></p> <ul style="list-style-type: none"><li>• Be satisfied the policy is applied when recruiting new members</li><li>• Ensure appropriate Board succession planning is undertaken</li></ul> <p><b>The Nominations Committee must:</b></p> <ul style="list-style-type: none"><li>• Apply this policy when recruiting on behalf of Board</li></ul> <p><b>Compliance must:</b></p> <ul style="list-style-type: none"><li>• Ensure and monitor compliance with this policy</li><li>• Ensure compliance with the law</li><li>• Maintain and update this policy</li></ul> <p><b>Human Resources must:</b></p> <ul style="list-style-type: none"><li>• Provide support, training and advice</li></ul> <p><b>Legal Services must:</b></p> <ul style="list-style-type: none"><li>• Provide support and advice on matters of Employment Law</li></ul> |
| <b>2. Policy Application</b>  |
| <p>Board appointments should be made, on merit, against an appropriate set of competencies and consideration of the diversity benefits an individual can bring to the Board composition.</p> <p>Evaluation of the board should include consideration of the diversity of skills, approach and experience.</p> <p>Compliance and HR provide support, training and advice to ensure compliance with this policy.</p>  |
| <b>3. Measurement of Effectiveness</b>  |
| <p>The effectiveness of the policy will be demonstrated by:-</p> <ul style="list-style-type: none"><li>• Board exhibiting a broad range of skills, approach, experience and diversity.</li><li>• Board members demonstrating they are up to date with industry developments.</li></ul>  |
| <b>4. Monitoring &amp; Reporting</b>  |
| <ul style="list-style-type: none"><li>• Internal Audit and Compliance Monitoring Reviews</li></ul>  |
| <b>5. Breach Reporting</b>  |
| <p>Breaches of this Policy should be referred to the Risk Director to raise with the Chairman and Chief Executive</p>   |

### C. Supporting Materials

| Process documents, examples, templates, etc.   |  |
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| Fit and Proper Policy<br>Equality and Diversity Policy<br>Nominations Committee Terms of Reference |  |
| External Material  | Source   |
| Conditions Governing Business – 2 General Governance Requirements                                  | PRA website  |
| Financial Reporting Council's The UK Corporate Governance Code                                     | <a href="http://www.frc.org.uk">www.frc.org.uk</a> |
| The Organisation for Economic Co-operation and Development (OECD) guidelines for insurers          | <a href="http://www.oecd.org">www.oecd.org</a>     |