

Nominations Committee – Terms of Reference

1. Constitution

- 1.1. The Nominations Committee is constituted as a committee of the Board of the Financial Ombudsman Service Limited.
- 1.2. The committee's terms of reference (ToR) may be amended at any time by the Board.

2. Authority

The committee is authorised by the Board to:

- 2.1. Undertake business within its ToR.
- 2.2. Seek any information it requires from any employee (all employees are directed to co-operate with any request made by the committee).
- 2.3. Obtain external legal or other professional advice and to secure the attendance of anyone it considers has relevant experience, expertise or knowledge.

3. Membership

- 3.1. The committee and its chair shall be appointed by the Board from amongst its members and it shall consist of not less than three members.
- 3.2. In the absence of the committee chairman, the remaining members present shall elect one of their number to chair the meeting.
- 3.3. Appointments to the committee shall be for a period of one year and reviewed annually by the Board, taking account of the skills, knowledge and experience required.
- 3.4. The Board secretary shall provide secretariat support to the committee.

4. Meetings

- 4.1. The committee shall meet at key points in the year, and on average will have two to three meetings per year.
- 4.2. Meetings of the committee shall be arranged by the secretary at the request of the chairman.
- 4.3. The quorum necessary for the transaction of the business of the committee shall be at least two committee members.
- 4.4. Other Board members or senior management staff may attend meetings at the committee's invitation.
- 4.5. 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 and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members, the remaining Board members, and other attendees as appropriate, at the same time.

5. Minutes of meetings

5.1. The Board secretary shall minute the proceedings and decisions of all committee meetings, including the names of those present.

5.2. The Board secretary shall circulate draft meeting minutes to the committee members within 5 working days following the meeting.

6. Responsibilities

The committee shall:

6.1. Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board, including at the end of a Board member's current term and when vacancies arise, and make recommendations on behalf of the Board to the FCA¹ for it to approve:

- the appointment of Board members; and
- the re-appointment of Board members.

6.2. Appoint members of Board sub-committees, taking account of the skills, knowledge and experience required.

6.3. Make recommendations to the Board about the appointment of the Chief Executive and Chief Ombudsman.

6.4. In conjunction with the Chief Executive and Chief Ombudsman, take an overview of the overall performance and potential of the organisation's senior team, and of the succession and recruitment risks for critical senior posts, including for the Chief Executive and Chief Ombudsman role, ensuring that the HR Director and Chief Executive have effectively identified the risks and have mitigation/succession plans in place.

6.5. Working in line with the organisation's wider HR policies, ensure that all appointments it advises on, or makes, are made with regard to being a good equal opportunities employer, observing the basic principles of open and transparent recruitment processes, fair, impartial and consistent selection processes and selection on merit.

¹ Members of the Board are appointed by the Financial Conduct Authority (Schedule 17, Part II, s 3(2) of the Financial Services & Markets Act 2000), with the approval of the Treasury in the case of the chairman.