

**COVENTRY BUILDING SOCIETY GROUP BOARD NOMINATIONS AND GOVERNANCE
COMMITTEE
AND
THE CO-OPERATIVE BANK P.L.C. BANK BOARD VALUES & ETHICS AND
NOMINATION COMMITTEE**

Combined Terms of Reference

1. CONSTITUTION

- 1.1 The combined terms of reference of the Coventry Building Society (the 'Society') Group Board Nominations and Governance Committee and The Co-operative Bank p.l.c (the 'Bank') Bank Board Values & Ethics and Nomination Committee, together (the "**Committees**") were approved by the board of the Bank on **26 March 2026** and the board of the Society, (together with its subsidiaries, the 'Group') on **26 March 2026**. The Committees' responsibilities are discharged on behalf of the Group, Society and the Bank.

The Bank and its subsidiaries are wholly owned by The Co-operative Bank Finance p.l.c. which is wholly owned by The Co-operative Bank Holdings p.l.c. which is in turn wholly owned by the Society.

- 1.2 The purpose of the Committees is to:
- 1.2.1 review the composition of the Group and Bank Boards and lead the process on proposed appointments to the Boards and senior management of the Group;
 - 1.2.2 the Committees shall make recommendations to the Board on this topic ensuring that both appointments and succession plans are based on merit and objective criteria and, within this context, promote diversity of gender, social and ethnic background, cognitive and personal strengths;
 - 1.2.3 keep the Group and Bank Board's governance arrangements under review and make appropriate recommendations to the Boards to ensure that its arrangements are consistent with the relevant corporate governance standards and best practice; and
 - 1.2.4 oversee the Group and Bank Board's compliance with the Senior Managers' Regime.
- 1.3 The purpose of the Bank Board Values & Ethics and Nomination Committee is to:
- 1.3.1 recommend to the Boards for its approval and adoption the co-operative values and ethical policies of the Bank and shall represent, monitor and advise the Boards on matters concerning the interests of the customers, suppliers, employees, contractors and all other stakeholders in their dealings with the Bank in line with the objects of the Bank as described in the articles of association of the Bank (the 'Articles'); and
 - 1.3.2 monitor on behalf of the Board the Bank's compliance with its statement to Co-operatives UK.

2. **ALIGNED BOARD MODEL**

The Group Board Nominations and Governance Committee ('GN&G') and the Bank Board Values & Ethics and Nomination Committee ('BVEN') operate an aligned Board model. This includes joint meetings where meeting agendas clearly identify which items concern which entity (Group, Society and/or Bank).

3. **ENITIES TO WHICH THESE TERMS OF REFERENCE APPLY**

3.1 Sections of these terms of reference which apply only to the Group Board Nominations and Governance Committee of the Group are headed "Group Board Nominations and Governance Committee only".

3.2 Sections of these terms of reference which apply only to the Bank Board Values & Ethics and Nomination Committee are headed "Bank Board Values & Ethics and Nomination Committee only".

4. **MEMBERSHIP AND ATTENDANCE**

4.1 The members and chair of the Committees shall be appointed by their respective Boards in accordance, where applicable, with the Society's Rules and the Bank's Articles.

4.1.1 The chair of the Committees shall be the chair of their respective Boards.

4.2 Membership of the Committees shall comprise a minimum of three and a maximum of four non-executive directors including the respective Society and Bank chairs, the respective deputy chair and / or the senior independent director, where applicable.

4.3 Only the Chair and members of each Committee have the right to attend and vote at Committee meetings.

4.4 The Group and Bank Chief Executive Officers have standing invitations to attend the respective meetings of the Committees but shall not attend meetings where their succession planning is being discussed. Such attendees are not members of each Committee.

4.5 The Group Chief People Officer and Group General Counsel have standing invitations to attend the meetings of the Committees, but they shall not attend meetings where their succession planning is being discussed.

4.6 Other non-executive directors of the Boards, the Group or Bank executive team, external advisors and representatives from relevant business functions of the Society / Bank may be invited to attend all or part of any meeting as and when the respective chair deems appropriate.

4.7 In the absence of the Chair (and/or an appointed deputy), the remaining Committee members present shall elect one of their number (who shall be an independent non-executive director) to chair the meeting.

4.8 The respective chair shall not chair the Committee when it is dealing with the matter of succession of the chair of the Board. Where the Committee meets to discuss the chair of the Board's succession or performance, the deputy chair of the Board shall chair such meetings of the Committee.

- 4.9 Each member of the Committees shall disclose to their respective Committee:
- 4.9.1 any personal financial interest (other than as a shareholder) in any matter to be decided by the respective Committee; or
 - 4.9.2 any potential conflict of interest arising from a cross directorship or board position. Any such member shall abstain from voting on resolutions of the respective Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so requested by the respective Board) shall resign from the respective Committee.
- 4.10 The members of the Committees shall be listed each year in the annual report of the respective legal entity.

5. **SECRETARY**

- 5.1 The company secretary of the Group, or their nominee shall act as the secretary of the Committee (the "**Secretary**").
- 5.2 The Secretary should ensure that the Committees receive information and papers in a timely manner to support full consideration of the issues, the agenda having been approved by the respective Chair in advance.

6. **QUORUM AND VOTING**

- 6.1 The quorum necessary for meetings of the Committees shall be a minimum of two members, who are independent non-executive directors, including the respective chair or deputy chair, present throughout the meeting.
- 6.2 In the event of equal votes, the Chair of each Committee shall have a casting vote.
- 6.3 A member may be present for the purpose of paragraph 6.1 in person, by telephone, by videoconference or by other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. A duly convened meeting of each Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 6.4 In alignment with the Rules of the Society (Validity of Acts) and the Articles of the Bank (resolutions without meetings), a resolution which is signed or approved by all the directors entitled to vote (members of the Committee) on that resolution (and whose vote would have been counted) shall be as valid and effectual as if it had been passed at a meeting duly called and constituted.

7. **FREQUENCY OF MEETINGS**

- 7.1 The Committees shall meet at least three times per financial year and otherwise as required.

8. **NOTICE OF MEETINGS**

- 8.1 Meetings of the Committees may be convened at any time by the Chair or on the reasonable request of any Committee member who considers it necessary.

- 8.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee and any other person required to attend, in a timely manner to enable full and proper consideration of issues.

9. **MINUTES OF MEETINGS**

- 9.1 The Secretary, or their nominee shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 9.2 Draft minutes of the Committee meetings shall be circulated to all members of the Committees.

10. **ANNUAL GENERAL MEETING**

- 10.1 Group Board Nominations and Governance Committee only: the Committee chair will be available at the Society's Annual General Meeting (the 'AGM') to answer questions from members falling within the Committee's remit.
- 10.2 Bank Board Values & Ethics and Nomination Committee only: in alignment with the Bank's Articles, the chair should attend the AGM of the Bank to answer any shareholder questions on the Committee's activities and on the annual report of the Committee to the Bank Board to be included in the annual report and accounts of the Bank. The members of the Committee should be prepared to meet the shareholder at the AGM.

11. **DUTIES**

The responsibilities of each Committee will be to:

Board Performance

- 11.1 Regularly review the structure, size, composition and ways of working (including the skills, knowledge, experience and diversity) of the Group and Bank Board in alignment with the Society's Rules (Rule 12 amongst others) and Bank's Articles (Articles 49 and 50 amongst others)
- 11.2 Determine and oversee the process by which the Board, its committees and individual directors assess their effectiveness; and oversee progress against action plans addressing the results of the Board and Board committee effectiveness or performance review.
- 11.3 Group Board and Nominations Committee only: Determine arrangements for externally facilitated board effectiveness reviews, where required under the UK Corporate Governance Code.
- 11.4 Determine the Group and Bank Boards training programme on an annual basis.

Succession Planning and Board Appointments

- 11.5 Group Board Nominations and Governance Committee only: determine the succession plans for directors, executive committee members and SMF role holders, as appropriate, in the course of its work, taking into account the challenges and opportunities facing the Group, with a view to ensuring the continued ability of the

organisation to compete effectively in the marketplace, and the skills and expertise needed at the Group and Bank Board and in senior executive level appointments in the future and having regard to length of service and expected date on which existing directors will conclude their term of office.

- 11.5.1 Bank Board Values & Ethics and Nomination Committee to determine proposed succession plans for directors, executive committee members and SMF roles holders for the Bank.
- 11.6 Bank Board Values & Ethics and Nomination Committee only: provide input into the chair of the Bank Board succession process which shall be managed by the Group Board Nominations and Governance Committee, including consideration of the job specification, the time commitment expected, and recognising the need for availability in the event of crises. A proposed chair of the Bank Board's other significant commitments should be disclosed to the Bank Board before appointment and any changes should be reported to the Bank Board as they arise.
- 11.7 Bank Board Values & Ethics and Nomination Committee only: provide input into the Chief Executive Officer of the Bank succession process which shall be managed by the Group Board Nominations and Governance Committee.
- 11.8 Before any appointment is made by the Group/Bank Board, evaluate a candidate's suitability using the regulatory Fitness and Propriety test as a benchmark, taking into consideration the balance of skills, knowledge, independence, experience and diversity on the Boards, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment and assess the time commitment expected. In identifying suitable candidates, the Committees shall, as appropriate:
 - 11.8.1 use open advertising or the services of external advisers to facilitate the search;
 - 11.8.2 consider candidates from a wide range of backgrounds;
 - 11.8.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position; and
 - 11.8.4 consider candidates who provide a broad set of qualities and competencies.
- 11.9 Group Board Nominations and Governance Committee or Bank Board Values & Ethics and Nomination Committee for Bank appointments: be responsible for identifying and nominating for the approval of the Group or Bank Board for Bank appointments, when vacancies arise, candidates to fill:
 - 11.9.1 Chair of the Group / Bank Board (Rule 15 and Article 50);
 - 11.9.2 Deputy Chair of the Group Board (Rule 15)
 - 11.9.3 Senior Independent Director of the Group Board;
 - 11.9.4 Group / Bank Board Non Executive Director and Executive Directors (Rules 13, 24 and 25 and Article 50)
 - 11.9.5 Group Executives including Group Chief Executive and Society Secretary (Rule 22); and

11.9.6 Bank Company Secretary (Article 85).

- 11.10 Ensure that on appointment to the respective Boards, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of scope of responsibilities (including those under the Senior Managers' Regime), time commitment, committee service and involvement in Group activities outside Board meetings.
- 11.11 Ensure that prior to appointment to the respective Boards, the prospective non-executive director undertakes that:
 - 11.11.1 they will have sufficient time to fulfil their duties;
 - 11.11.2 they will disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
 - 11.11.3 they disclose any significant new appointments outside of the Society to the Board for approval prior to their acceptance; and
 - 11.11.4 any additional future commitments should not be undertaken without prior approval by the Board.
- 11.12 Review the composition of the Group and Bank Board Committees on an annual basis, and make recommendations to the Group and Bank Board, as appropriate, in consultation with the chairs of those committees and in so doing have regard to the Society's Rules and Bank's Articles, the benefits of cross-committee membership and committee membership rotation to refresh viewpoint and support directors' continuing skills and professional development.
- 11.13 Review the scope and completion of induction programmes for new Directors.
- 11.14 Ensure appropriate provisions are in place to prevent members and attendees of the Committee from discussing their own appointment.

Equality, Diversity and Inclusion

- 11.15 Oversee the Group's Diversity and Inclusion (D&I) commitment statement, its link to the Group's strategy and progress on implementation.
- 11.16 Review reports on the gender balance of the Group and Bank executive and their direct reports.
- 11.17 Decide on a target for the underrepresented gender on the Group and Bank Boards and a policy as to how to reach that target.

Values & Ethics

Bank Board Values & Ethics and Nomination Committee only:

- 11.18 recommend to the Board for approval and adoption the co-operative values and ethical policies of the Bank and shall represent, monitor and advise the Board on matters concerning the interests of all stakeholders in their dealings with the Bank in line with the objects of the Bank as described in the Articles having regard to:

- 11.18.1 the legal and regulatory requirements applicable to the Bank and its directors;
 - 11.18.2 the need for the Bank's operations to be commercially sustainable and profitable; and
 - 11.18.3 the desirability of maintaining and enhancing the public reputation and image of the Bank.
- 11.19 monitor the Bank's compliance with its statement to Co-operatives UK on behalf of the Board.

Senior Manager Regime Compliance

- 11.20 Prior to the appointment of a Director, receive assurance that the proposed appointee (i) is compliant with the requirements detailed in the Group's Fit and Proper Policy and has accepted in writing their obligation to comply with the terms of this policy and (ii) has provided the Group with satisfactory proof of any qualifications.
- 11.21 If required, prior to the appointment of a Director undertaking a role covered by the Senior Managers' Regime, receive assurance that the proposed appointee (i) has accepted in writing the Statement of Responsibility relevant to their role and (ii) has been approved by the PRA/FCA to undertake the role of Director of the Group and/or Bank.
- 11.22 Ensure Directors of the Group and / or Bank achieve and maintain a suitable standard for compliance purposes as a Senior Manager as detailed in the Group's Fit and Proper Policy. This includes ensuring compliance with all applicable policies, procedures and guidance, and completion of mandatory training in appropriate timescales and maintaining an appropriate level of competence at any point in time, as required by the relevant role, the Group's Fit and Proper Policy and status as a Senior Manager.
- 11.23 Group Board Nominations and Governance Committee only: review the Society's Responsibilities Map as required under the Senior Managers' Regime at least annually and review any change to any Statement of Responsibility for any member of the Society's Board.
- 11.24 Bank Board Values & Ethics and Nomination Committee only: review the Bank's Responsibilities Map as required under the Senior Managers' Regime at least annually and review any change to any Statement of Responsibility for any member of the Bank's Board.
- 11.25 Group Board Nominations and Governance Committee only: review and approve any arrangements to appoint any other person or persons to act jointly with an existing member of the Group and / or Bank Board (in the event that an individual is not performing their duties for a prolonged period such as extended sickness absence).
- 11.26 Determine and recommend to the Group and Bank Boards respectively any matters relating to the continuation in office of any Director at any time including in relation to the continued compliance with the FCA/PRA conduct rules issued under sections 64A and 64B of the Financial Services and Markets Act 2000 and the Group's Fit and Proper Policy, including the suspension or termination of service of an Executive Director as an employee of the Group or Bank subject to the provisions of the law and their service contract.

Director Oversight

- 11.27 Review the independence of Group and Bank Directors annually to ensure that they continue to meet the independence requirements of the UK Corporate Governance Code, prior to review by the Group Board.
- 11.28 Determine, subject to ratification by the Group Board and the Bank Board where relevant, any conflicts of interests relating to a Group or Bank Director, that conflicts or possibly may conflict with the interests of the Group's Conflict of Interest Policy, including those where the Society's Rule 24(1)(h) applies.
- 11.29 Assess whether the appointment of any Director to another office should be approved.
- 11.30 Group Board Nominations and Governance Committee only: determine whether Group Directors should be recommended to the Group Board for election/re-election by members under the Society's Rules, having due regard to their ability to meet the requirements detailed in the Group's Fit and Proper Policy concerning fitness and propriety, their performance and ability to continue to the Group Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Group Board.
- 11.31 Review annually the time required from Non-Executive Directors to effectively discharge their role. Performance reviews should be used to assess whether non-executive directors are spending enough time to fulfil their duties.

Key Documentation

- 11.32 Review annually and approve any changes as required (i) the Board Training Policy, (ii) the Access to Independent Advice Policy, (iii) the Handover Arrangements Policy, (iv) the Fit and Proper Policy, (v) the Board Governance Manual, (vi) the Succession Policy, (vii) the Breach Arrangements Policy, (viii) the Attestations Policy, (ix) the Conflicts of Interest Policy (to be recommended to Group Board for approval) (x) the Regulatory References Policy (xi) the Human Rights Policy, (xii) the Director Equity Policy and (xiii) the Political Donations and Responsible Lobbying Policy.
- 11.33 Work and liaise as necessary with other board committees, ensuring the interaction between committees and with the Board is reviewed regularly. The Committees shall consider the Group and Bank's Audit Committees recommendation with respect to the appointment and removal of the Group's Chief Internal Auditor; and the Group and Bank's Risk Committees recommendation with respect to the appointment and removal of the Group and Bank's respective Chief Risk Officers.
- 11.34 The re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Group and / or Bank Boards in the light of the knowledge, skills and experience required.
- 11.35 Ensure these terms of reference are published on the Society and Bank's websites.

CORPORATE GOVERNANCE

- 11.36 Keep the Group and Bank's governance arrangements under review, giving due consideration to laws and regulations including those of the Financial Conduct Authority and Prudential Regulation Authority, the requirements of the UK Listing Authority's Rules, the Disclosure and Transparency Rules, the Building Societies Act

1986, corporate governance code requirements and best practice and the requirements of any applicable competent authority regulation or guidance, as appropriate.

- 11.37 Review the respective AGM resolutions and recommend to the respective Board for approval.
- 11.38 Group Board Nominations and Governance Committee only: review whether changes are required to Society's Rules and recommend any changes to the Group Board for approval.
- 11.39 Bank Board Values & Ethics and Nomination Committee only: review whether changes are required to Bank's Articles and recommend any changes to the Group and Bank Board for approval.

12. **REPORTING RESPONSIBILITIES**

- 12.1 Each Committee Chair shall report formally to the respective Boards on its proceedings after each meeting on all matters within its duties and responsibilities.
- 12.2 Each Committee shall make whatever recommendations to the respective Boards it deems appropriate on any area within its remit where action or improvement is needed.
- 12.3 Each Committee shall compile a report detailing how it discharged its responsibilities for inclusion in the Society and Bank's Annual Report & Accounts (as required) respectively, including:
 - 12.3.1 a description of the significant issues dealt with by the Committee and other matters required to be disclosed under the UK Corporate Governance Code;
 - 12.3.2 the process it has used in relation to the recommendation of Board appointments, its approach to succession planning and how both support the development of a diverse pipeline; and an explanation if external advice or open advertising has not been used. Where an external search consultancy has been used, it should be identified in the report and a statement should be made as to whether it has any other connection with the Bank;
 - 12.3.3 how board performance reviews have been conducted, the nature and extent of an external evaluator's contact with the boards and individual directors, the outcomes and actions taken, and how it has influenced or will influence boards composition, if relevant;
 - 12.3.4 the Group's policy on diversity and inclusion, its objectives and linkage to the Group's strategy, how it has been implemented and progress on achieving the objectives, and
 - 12.3.5 the gender balance of those in the senior management team and their direct reports.

13. **OTHER MATTERS**

The Committees shall:

- 13.1 to the extent possible, on an ongoing basis, take account of the need to ensure that the Group and Bank Boards' decision making is not dominated by any one individual

or small group of individuals that is detrimental to the interests of the Group and / or Bank as a whole.

- 13.2 assist the SMF role holders in fulfilling their prescribed responsibilities. Where matters are being discussed in relation to a prescribed responsibility by both or one of the Committees, ensure the relevant SMF role holder attends and participates in the discussion, or if unable to attend, ensure that they are suitably represented.
- 13.3 consider how the matters for which it is responsible could impact customers, including creating good customer outcomes and mitigating customer harm.
- 13.4 have access to sufficient resources in order to carry out its duties, including access to Company Secretariat for assistance as required.
- 13.5 Arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to evaluate and improve its effectiveness and recommend any changes it considers necessary to the Group Board for approval.

14. **AUTHORITY**

The Committees are authorised to by the Group Board:

- 14.1 use any forms of resources the Committees deem appropriate including obtaining, at the Group's expense, independent legal or other professional advice on any matters within its terms of reference including employing search consultants;
- 14.2 to seek any information, it requires from any employee of the Group and / or Bank to perform its duties; and
- 14.3 to investigate any activity within the scope of its duties.