

The following terms of reference and standing orders have been adopted from the ICSA Guidance Note 050815.

1.0 GENERAL

The Nominations Committee is a sub-committee of the Board of the Ancient Order of Foresters Friendly Society Ltd in respect of all nominations to the Board, its sub committees and subsidiaries. It formally reports to the Board of the Ancient Order of Foresters Friendly Society Ltd and conducts its business in accordance with the Rules of Foresters Friendly Society and with its own Standing Orders.

2.0 LEGAL STATUS

The Ancient Order of Foresters Friendly Society Ltd is a registered Friendly Society and must ensure that the Society achieves its objectives within the relevant legal framework and in compliance with the requirements of the Financial Services Authority.

The members have responsibilities as Non-Executive Directors and are of approved person status.

3.0 MISSION AND VALUES OF FORESTERS FRIENDLY SOCIETY

The Foresters Friendly Society has adopted a mission and values statement. The Nominations Committee will seek to ensure that the organisation follows that mission and upholds the values.

4.0 THE FORESTERS FRIENDLY SOCIETY'S OBJECTIVES

Foresters Friendly Society has agreed strategic objectives and the Nominations Committee will seek to monitor performance against the objectives.

5.0 MAIN FUNCTIONS

5.01 The Committee shall:

5.01.1 regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;

5.01.2 give full consideration to succession planning for Directors and other Senior Executives in the course of its work, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the Committee in the future;

5.01.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;

5.01.4 before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board, and in light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:

5.01.4.1 consider candidates from the Membership of the Society:

5.01.4.2 use open advertising or the services of external advisers to facilitate the search:

5.01.4.3 consider candidates from a wide range of backgrounds: and

5.01.4.4 consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position:

5.01.5 keep under review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace:

5.01.6 keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates:

5.01.7 review annually the time required from Non-Executives Directors. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties: and

5.01.8 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, Board service and involvement outside Board meetings.

5.02 The Committee shall also make recommendations to the Board concerning:

5.02.1 formulating plans for succession for both Executive and Non Executive Directors and in particular for the key roles of Chairman and Chief Executive (but see 8.2.7 below);

5.2.2 suitable candidates for the role of Senior Independent Director;

- 5.2.3 membership of the Audit and Remuneration Committees, in consultation with the Chairman of those committees;
- .4 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 Board in the light of the knowledge, skills and experience required;
- .5 the re-election by members of any Director under the 'retirement by rotation' provisions in the company's articles of association having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- .6 any matters relating to the continuation in office of any 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 their service contract; and
- .7 the appointment of any Director to Executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full Board.

6 REPORTING RESPONSIBILITIES

- .1 The Committee chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- .2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- .3 The Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

7 OTHER

- 7.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

8 AUTHORITY

- 8.1 The Committee is authorised to seek any information it requires from any employee of the company in order to perform its duties.
- 8.2 The Committee is authorised to obtain, at the Society's reasonable expense, outside legal or other professional advice on any matters within its terms of reference.

9 ADDITIONAL RESPONSIBILITIES

- 9.1 Election of Chairman and appointment of Officers, (other than where delegated), throughout the Society.

10 MONITORING

- 10.1 To ensure candidates fulfil all the criteria set and monitor the processes for election via the above rules.

11 DELEGATION

The day-to-day business of the Society shall be delegated to the staff led by the Chief Executive and the Management Team. The scheme of delegation is set out in the 'Delegation Framework' and in the 'Financial Policies and Procedures'. The conduct of the day-to-day work shall be monitored by the Committees of the Society in accordance with their various Terms of Reference and Standing Orders.

Approved by the Board 29 October 2008

1.0 MEMBERSHIP

- 1.01 The members of the Nomination Committee shall be appointed by the Board and shall be made up of at least three (3) members, the majority of whom should be Independent Non-Executive Directors.
- 1.02 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive and external advisors may be invited to attend the whole or part of the meeting if appropriate.
- 1.03 The Company Secretary or their nominee shall act as Secretary to the Committee.
- 1.04 The Chairman of the Committee shall chair each meeting, in his absence the members present shall elect one of their number to chair the meeting. The Chairman of the Committee shall not chair the Committee when it is dealing with the matter of succession to the chairmanship of the Board.
- 1.05 When the Committee discusses any item which poses a conflict of interest for any Committee member that member should declare the interest. If the conflict is clear and substantial that member should withdraw from the meeting.

All declarations of conflict of interest shall be recorded in the minutes.

2.0 QUORUM

- 2.01 The quorum necessary for the transaction of any business shall be two (2), both of whom must be Non-Executive Directors. A duly convened meeting of the 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.

3.0 FREQUENCY OF MEETINGS

- 3.01 The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require.

4.0 NOTICE OF MEETINGS

4.01 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.

4.2 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, any other person required to attend and all other Non-Executive Directors, no later than (5) working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

5.0 MINUTES OF MEETINGS

5.01 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance and for whom apologies have been received.

5.02 Minutes of the Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Committee and, once agreed, to all other members of the Board, unless a conflict of interest exists.

6.0 ANNUAL GENERAL MEETING

6.01 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any questions on Committee activities.

7.0 REPORTING TO MEMBERS

7.01 The Annual report to contain a separate report that describes the role of the Nominations Committee and the actions it has taken over the past year.

8.0 URGENT DECISIONS

8.01 Should decisions be required that cannot be deferred to the next scheduled meeting, the Chairman shall make the decision after contacting other members of the Committee where possible.

8.02 Any decision made must be reported at the next scheduled meeting and extent of consultation and expressed views of Committee members recorded in the minutes.

Approved by the Board 29 October 2008