

GOVERNANCE COMMITTEE

DEFINITIONS

annual report	The annual report and financial statements of the group
chairman	The chairman of the board
chief executive	The chief executive of the group
committee	The governance committee of the society
board	The board of directors of the society
director	A director of the society
group	The society and its operating subsidiaries
society	Dentists' Provident Society Limited
regulators	The Prudential Regulation Authority and Financial Conduct Authority
governance committee	The governance committee of the society
secretary	The Secretary of the society
vice chairman	The vice chairman of the board

MEMBERSHIP

The **committee** will comprise the **chairman** and two non-executive **directors** appointed by the **board**.

Appointment of the non-executive **director** to the **committee** will be for a period of up to three years which may be extended by additional three-year periods subject to the **director** remaining eligible for membership of the **committee**.

The chairman of the **board** shall not be the chairman of the **committee**.

MEETINGS

The **committee** will meet at least four times a year and at any other time if required. Scheduled meetings of the **committee** will be held between three and four weeks before the relevant **board** meeting.

The **chairman**, **chief executive** or the chairman of the **committee** may request that a meeting be held at any time. Any member of the **committee**, the chairman of another committee of the **board** or the **secretary** may request the chairman of the **committee** to convene a meeting at any time.

Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to all attendees, no later than five working days before the date of the meeting. Supporting papers shall also be sent to all attendees at the same time.

QUORUM

The quorum for meetings will be two members. In the absence of the chairman of the **committee** or where the **committee** meets to discuss the chairman's performance, the other non-executive **director** will chair the meetings of the **committee**.

SECRETARY

The **secretary**, or their nominee, shall act as the secretary to the **committee** and ensure that the **committee** receives the information and documents in a timely manner to enable it to effectively discharge its duties.

ATTENDEES

- **chief executive** (mandatory)
- any **director**, officer, employee or advisor of the **society** (by invitation of the **committee**)

The attendees may be collectively or individually requested to withdraw from any meeting of the **committee** if requested to do so by the chairman of the **committee**.

REPORTING

The minutes will be circulated to all **directors** as part of the **board** pack issued after the meeting unless the **committee** decides, with the approval of the **chairman**, that it would be inappropriate to do so in whole or in part.

The chairman of the **committee** will brief the **board** on the **committee's** discussions at the **board** meeting.

The **committee** shall make any recommendations it considers appropriate to the **board**, on any area within its remit where action or improvement is needed.

A description of the **committee's** responsibilities and activities during the year will be disclosed in the **annual report**. The chairman of the **committee**, or an appointed nominee, will also be available at the annual general meeting to answer questions in connection with the work of the **committee**.

AUTHORITY

The responsibilities delegated to the nomination committee shall fall within the scope of the **committee**. The **committee's** authority extends to all relevant matters relating to the **group**.

The **committee** has authority to investigate any matters within its responsibilities and to obtain such information as it may require from any **director**, officer or employee of the **group**.

The **committee** shall have the authority to appoint consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the **group** but within any budgetary restraints imposed by the **board**.

The **committee** is also authorised to engage any other independent advisors at the expense of the **group**, and invite them to attend meetings.

INDUCTION AND TRAINING

The **committee** will put in place suitable arrangements for the induction of new members of the **committee** and for the ongoing training of existing members as appropriate.

RESPONSIBILITIES OF THE COMMITTEE

Oversight of nomination duties, including:

- keeping the structure, size and composition of the **board** under constant review, having due regard to the skills, knowledge, experience and diversity on the **board**
- succession planning for the **chairman, chief executive, vice chairman, other directors, the secretary** and senior management, having due regard to the skills and expertise needed in the future
- keeping under review the leadership needs of the **group**, both executive and non-executive, with a view to ensuring the continued ability of the **group** to compete effectively in the marketplace
- keeping up to date and fully informed about strategic issues and commercial changes affecting the **group** and the markets within which it operates
- evaluating the balance of skills, knowledge, experience and diversity on the **board**, and preparing a description of the role and capabilities required for any appointments and identifying and nominating for the approval by the **board**, suitable candidates to fill the vacancies
- reviewing the results of the **board** performance evaluation process
- annually reviewing the time required from non-executive **directors** and assessing whether the non-executive **directors** spend enough time fulfilling their duties
- the **committee** shall also make recommendations to the **board** regarding membership of the various **board** committees, in consultation with the chairmen of those committees
- reviewing and proposing the re-appointment of any non-executive **director** having regard to their performance and ability to continue contribution to the **board** based on the knowledge, skills and experience required and the need for progressive refreshing of the board (particularly in relation to **directors** being re-elected for a term beyond twelve years)
- 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 group subject to the provisions of the law and their service contract
- the appointment of any **director** to executive or other office.

Oversight of the **group's** strategy and major infrastructure projects, including:

- providing guidance to the **board** on the **group's** strategy
- examining the **group's** strategic development and business plans, and the annual budgets and making appropriate recommendations to the **board**
- reviewing the priority targets of the activities of the **group**
- reviewing and making recommendations to the **board** on significant transactions
- reviewing and discussing plans in relation to launch of products and new lines of business
- reviewing and discussing human resources, infrastructure and marketing plans of the **group**
- performing any other activities as the **committee** deems appropriate, or as requested by the **board**
- regularly discussing and reviewing the implementation of the **group's** business plans
- agreeing and approving the **group's** infrastructure strategy and budget to ensure it aligns with the business needs
- reviewing and approving any infrastructure policies
- reviewing and approving material systems and development project requests against cost/benefits to the **group**
- reviewing all material systems development projects and setting priorities based on resource requirements, cost/benefit analysis and implementation schedule requirements or limitations
- approving reallocation of infrastructure resources to facilitate meeting priorities and business needs
- reviewing and approving implementation plans.

Oversight of enterprise risk management, including:

- annually, evaluating and reporting on the **group's** overall risk profile to the **board**
- reviewing and approving the principal risks annually, including the completeness of the **group's** principal risk categories
- considering and recommending for approval by the **board**, proposals in respect of the **group's** risk appetite and tolerance
- considering, recommending and monitoring appropriate metrics for the **group's** overall risk management performance
- annually evaluating the design and completeness of the **group's** governance, risk and control framework relative to the **group's** activities and risk profile

- reviewing and endorsing risk management disclosures in the **annual report** prior to approval by the **board**
- identifying the potential impact of key issues and themes that may impact the enterprise-wide risk profile of the **group**
- ensuring that the **group's** overall risk profile and risk appetite remain appropriate given the external environment, any key issues and themes impacting the **group** and the internal control environment
- considering future potential risks which may not have been factored adequately into review by other **board** committees.

Assess the effectiveness of the **committee** by:

- conducting an annual self-assessment and report conclusions and recommendations for change to the **board**
- considering whether or not the **committee** receives adequate and appropriate support in fulfilment of its role and whether or not its current workload is manageable.

RESPONSIBILITIES OF MANAGEMENT

Management will ensure that all information required by the **committee** to discharge its responsibilities is provided promptly. Management will also ensure that matters of material concern that are relevant to the **committee's** responsibilities are brought to its attention promptly.

AMENDMENTS TO TERMS OF REFERENCE

The **committee** will review its terms of reference on an annual basis and recommend any amendments to them to the board.