



NOMINATION COMMITTEE REPORT



Chairman's statement

It is with great pleasure that I present the Nomination Committee Report for 2016. This is the first report since our Listing on the London Stock Exchange in March 2016.

The Board first met in its current form in March 2010 before the Bank opened its doors to the public. Several Non-Executive Directors have served on the Board for a number of years. During this time the role of the Board has changed significantly, as the Group has evolved from a start-up to Listing on the London Stock Exchange on 10 March 2016.

During the year the Committee analysed the Board structure, paying particular attention to succession planning and diversity. We appreciate the need for a talent pipeline coming through below Board level and to dig deeper into the Company for future leaders.

Board composition

The Chairman, together with the Chairman of the Nomination Committee, regularly review the composition of the Board to ensure there is an appropriate balance of skills, experience, independence and knowledge of the Group. Board succession planning has been at the forefront of the Nomination Committee's considerations in 2016 and the Committee plans to take the necessary steps to ensure a smooth and orderly Board succession.

In light of the increasing demands on the Audit Committee and the increasing complexity of the Group, Michael Snyder was invited to join the Committee in 2016.

Diversity

The Committee recognises the merit of diversity and this continues to remain a high priority for the Board, particularly as the Group evolves. It is the intention of the Committee to source an inclusive shortlist when seeking new Non-Executive Directors.

Terms of Reference

Across the year the Committee has reviewed and revised its Terms of Reference in accordance with the Listing on the London Stock Exchange in March 2016. The Nomination Committee's Terms of Reference are available on the Bank's website.

Howard Flight

Chairman, Nomination Committee
2 March 2017

Composition of the Nomination Committee

The Nomination Committee currently comprises the following four Non-Executive Directors:

Members	Number of meetings attended
Howard Flight (Chairman)	3/3
Vernon W. Hill, II	3/3
Keith Carby	3/3
Roger Farah	3/3

Craig Donaldson (CEO) attends meetings by invitation and the Chief People Officer, Danielle Harmer, acts as the Secretary to the Committee.

Following each meeting the Chairman provided a verbal update to the Board. The Committee minutes are also included in future Board papers.

ROLE OF THE NOMINATION COMMITTEE

The Nomination Committee leads the process for identifying and making nomination recommendations to the Board. The duties of the Committee include:

- regularly reviewing structure, size and composition (including skills, knowledge, experience and diversity) of the Board, and making recommendations to the Board as required;
- considering succession planning for Directors and other senior executives, taking into account the challenges and opportunities facing the Group, and the skills and expertise needed on the Board in the future;
- responsibility for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- considering Board candidates on merit and against objective criteria and with due regard for the benefits of diversity, taking care that appointees have time available to devote to the position; and
- reviewing the results of the Board performance evaluation process relating to the Board composition.

ACTIVITIES OF THE NOMINATION COMMITTEE DURING THE YEAR

Matters considered by the Committee include the following:

- Reviewing the composition and diversity of Board membership
- Considering Board tenure and succession, and the process of making new appointments
- Considering and approving an updated Terms of Reference for the Nomination Committee