

MELTON MOWBRAY BUILDING SOCIETY GROUP (“THE GROUP”)

EXECUTIVE COMMITTEE (“EXCO”)

TERMS OF REFERENCE



themelton
building society

Composition: This is an Executive Committee. It will comprise the Chief Executive, Deputy Chief Executive & Finance Director, Chief Risk Officer, Director of Operations and Commercial Director

The Committee shall appoint one of its members to act as Chairman.

The Society Secretary will act as Secretary to the Committee.

Any Non-Executive Director may attend a Meeting without invitation.

Meetings: To be held Bi-Monthly

Quorum: A minimum of three members must be present, including at least one Executive Director.

Minutes: Minutes shall be circulated promptly to all members of the Committee.

1. PURPOSE

- To implement and deliver the Board agreed Strategic Plan, in accordance with its Mission Statement and Values, and with particular focus on the Group’s brands and customer experience
- To ensure that the Group’s risk management and control frameworks are appropriate for the Group’s operations and operating effectively with resourcing appropriate to current business levels and future expected demands.
- The Group operates a three lines of defence model. All risks associated with the Society’s business and operations are monitored by first line Executive Committees. Within this framework, EXCO has particular responsibility for managing Operational Risk, Conduct Risk and Business Risk*. The Assets and Liabilities Committee (“ALCO”), has responsibility for managing Business Risk, Credit Risk, Liquidity Risk, Interest Rate Risk and Pension Obligation Risk.

*EXCO has specific business risk responsibility for assessing new initiatives; monitoring major projects and commercial negotiations, and ensuring the business is on track to meet its overall strategic and operating plan objectives.

2. REPORTING LINE

This Committee's primary reporting line is into the Board with a secondary line into Risk Committee, as determined by the Group's Risk Management Framework.

3. RESPONSIBILITIES

3.1 Delivering the Strategy

- 3.1.1 The Committee will develop new business initiatives, campaigns and promotions in support of the Group's Strategic Plan and objectives.
- 3.1.2 The Committee will review all new initiatives prior to submission to Risk Committee.
- 3.1.3 The Committee will act as the custodian of the Group's brands, image and reputation and ensure that all new initiatives are consistent with the Group's brand identities.
- 3.1.4 The Committee will review the Marketing plan to ensure this supports the delivery of the strategy and monitor the results of campaigns and promotions to ensure these are effective.
- 3.1.5 The Committee will review status reports covering key business projects and any commercial negotiations having a significant impact (as defined by the Risk Committee impact matrix).
- 3.1.6 The Committee will monitor progress against the Strategic Plan objectives, initiatives and priorities and take appropriate action to ensure the Strategic Plan is delivered. Any new business risks arising or changes to existing business risks will be highlighted to the Risk Committee.

3.2 Customer & Conduct

- 3.2.1 The Committee will review performance against the Board agreed customer strategic priorities and agreed service and delivery targets, and will undertake competitor, sales performance, community support and direct customer/broker/staff feedback/survey analysis via the Customer Experience Report.
- 3.2.2 The Committee will review conduct risk management information to ensure good consumer outcomes in line with regulatory expectations and that the Group is operating within the approved conduct risk appetite.
- 3.2.3 The Committee will review complaints data and determine whether there is a requirement to undertake root cause analysis, raise financial provisions or implement any changes to systems or procedures to prevent recurrence.

3.2.4 The Committee will review conduct risk assessments (including post-sale reviews of products and services) to ensure they are complete and accurate, prior to their presentation to Risk Committee.

3.2.5 The Committee will review Conduct Risk training requirements in the context of Strengthening Accountability.

3.3 Operational Risk

3.3.1 The Committee will ensure that there are appropriate resources, skills and capabilities in place to execute the Board approved strategy.

3.3.2 The Committee will develop expertise and employee engagement through learning, training and development and investment in our people.

3.3.3 The Committee will review people related management information, including any people or resourcing issues, on a monthly basis and consider any consequent implications on staff resource or the staff appraisal process.

3.3.4 The Committee will review the Group operations management information to determine whether the Group is performing against its agreed service and delivery objectives operational targets and within the Group's operational risk appetite and take action accordingly.

3.3.5 The Committee will review any Operational Incident Reports and determine whether there is any requirement to implement changes to systems and procedures to prevent recurrence of any operational risk events, losses or near misses.

3.3.6 The Committee will review and monitor performance of the Group's core IT systems through the monthly Group IT Report, particularly with respect to capacity, data security and business continuity.

3.3.7 The Committee will review and monitor finance operations performance through the monthly Financial Operations dashboard.

3.3.8 The Committee will review any Health and Safety issues or incidents through the monthly Health and Safety Report.

3.3.9 The Committee will review and determine if any Unusual Events have occurred within the business on a quarterly basis.

3.3.10 The Committee will identify and communicate areas of risk where assurance may be required to Audit & Compliance Committee.

3.4 Risk and Compliance

- 3.4.1 The Committee will review the effectiveness of first line systems and controls utilising: IT and operational incident reports; feedback and complaints root cause analysis; and quarterly reporting from the Compliance function's Risk Register reviews with the Risk owners.
- 3.4.2 The Committee will review all actions resulting from the Compliance and Internal Audit reviews and ensure these are resolved in a timely manner.
- 3.4.3 The Committee will review and consider new regulatory developments from a risk, operational management and customer-based perspective and ensure adequate systems and controls are in place. The Committee will also consider if new projects are required for significant changes to the Regulatory environment.
- 3.4.4 The Committee will review resource capacity in relation to the execution of the Combined Assurance Plan.

4. REPORTING

- 4.1 A summary of key decisions is submitted to the Board and Risk Committee.
- 4.2 Other relevant matters are reported to ACC or Remuneration & Nominations Committee.

5. POLICIES AND RESPONSIBILITIES

EXCO has responsibility for review and submission of the following policies to the relevant approval bodies.

The MMBS Policies and Responsibilities Schedule shows the month the document is submitted for review and approval.

DESCRIPTION	SUBMISSION TO
Data Protection Policy	ACC
Business Continuity Plan	ACC
Retention of Data Policy	ACC
Data Security Policy	Risk
Financial Crime Policy (including Bribery Act)	ACC
Group Risk Policy & Appetite Statement	Risk/Board
Conduct Risk Policy & Appetite	Risk/Board

Cold Calling Policy
EXCO Terms of Reference

ACC
Board

Arrears Policy
New Business Initiatives Framework

Risk
Risk

EXCO has responsibility for reviewing and approving the following policies:

Staff Code of Conduct	March
Interest Only Mortgages Policy	March
Complaints Handling Procedure	May
Guidelines for dealing with Vulnerable Customers	September
Business Expenses Policy	November
Group Security Policy	November