

# Board Composition Policy

## Policy principles

1. Our policy is to ensure that the Board of Directors (the **Board**) of Dudley Building Society (the **Society**) comprises people who are fit and proper to serve as directors. The Board will seek to ensure that collectively it has a range of knowledge, skills, experiences, behaviours and backgrounds that enable it to be effective and oversee the Society's strategic priorities, culture and purpose. The Society's commitment to diversity is set out in our Equality, Diversity & Inclusion Policy. This applies to the entire workforce and more particularly to the Board as set out below.

## Board size and composition

2. The number of Directors on the Board will not be less than five and not more than 12. This is required under Rule 12(1) of the Society's Rules.
3. At least half of the Board should be independent non-executive Directors.
4. We will maintain a clear division of responsibilities between the leadership of the board and the executive leadership of the Society's business.
5. All Directors must meet the test of fitness and propriety – in line with the Society's Rules, our regulators' rules and our Fit & Proper Policy – on appointment and annually during their tenure.
6. One of our Non-executive Directors will perform the role of Senior Independent Director.
7. One of our Non-executive Directors will perform the role of Consumer Duty Champion.
8. One of our Non-executive Directors will perform the role of Whistleblowing Champion.
9. Our Board Audit Committee will have a member who has recent and relevant experience.
10. Our Remuneration Committee Chair should have 12 months' prior experience as a member of the committee.
11. Our Nominations Committee will review the Board's composition at least annually.

## Board and executive diversity

12. We are committed to tackling discrimination and encouraging diversity.
13. Our aim is to have a workforce that is representative of all sections of society and for our team members to feel respected and able to give of their best. We will consider this when making any appointments to the Board and planning for succession.
14. We will select the best candidate for the role based on objective criteria, having regard to the benefits of all forms of diversity.
15. To recognise our commitment to gender equality, we aim to have a minimum of 30% female representation on each of the Board and the Executive Committee. We will report on this in our Annual Report & Accounts.

## Planning for the future

16. Our Nomination Committee is responsible for succession planning. This includes keeping under review our executive and non-executive leadership needs, and identifying and nominating candidates to fill Board vacancies, as and when they arise, from a range of backgrounds.
17. To support this, Nomination Committee reviews the Board's skills and succession plan annually.

## Board effectiveness and performance

18. We will arrange for an independent externally facilitated review of the Board's performance (typically) every three years, with internal reviews in the other years.
19. Directors' performance will be reviewed at least annually. The Board Chair will review the non-executive Directors' performance. The Senior Independent Director will review the Board Chair's performance. The Chief Executive Officer will review the performance of any other Executive Directors and members of the Executive Committee.
20. We will use the results of Board and Director performance reviews to improve how the Board operates and how the Directors work together to achieve objectives. The Chair of the Board should act on the results of performance reviews and each Director should both engage with the process and act on any development needs that are identified. This may lead to the Chair proposing new appointments to the Board or seeking the resignation of existing Directors.

## Continuous Professional Development (CPD)

21. All Directors will receive an induction on appointment and on assuming any new responsibilities, for example as a Committee Chair. The induction will be tailored to their role.
22. Directors will undertake self-initiated individual CPD activities (e.g. conferences, seminars, coaching and mentoring), Society learning activities (e.g. online training) and collective learning (e.g. through Deep Dives and scheduled training sessions).
23. Directors are expected to maintain their awareness of members' needs and opinions including by attending events, such as the AGM, and visiting the Society's head office and branches.

Approved by the Board of Directors of Dudley Building Society on 27 March 2026