

### **Nomination Committee's Terms of Reference**

These terms of reference were adopted by the Nomination Committee on 9 November 2017. They were last approved by the Committee on 18 September 2019.

#### **1. MEMBERSHIP**

- 1.1. The Committee shall comprise at least three directors. A majority of the members of the Committee shall be independent non-executive directors.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the head of Human Resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 1.3. Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the relevant member still meets the criteria for membership of the Committee.
- 1.4. The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chairmanship.

#### **2. SECRETARY**

The Company Secretary or their nominee shall act as the secretary to the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to its business.

#### **3. QUORUM**

- 3.1. The quorum necessary for the transaction of business at a meeting of the Committee shall be two members. 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.
- 3.2. The members of the Committee may meet for the despatch of business, adjourn and otherwise regulate meetings as they think fit. Without prejudice to the foregoing, all or any of the members of the Committee may participate in a meeting of the Committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and speak to each other. A member of the Committee so participating shall be deemed to be present in person at the meeting and shall be entitled to fully participate and be counted in the quorum accordingly.

- 3.3. Without prejudice to the provisions of paragraphs 3.1 and 3.2 above, the members of the Committee may make decisions without a meeting, by unanimous written consent, but only when deemed appropriate and necessary by the Committee Chairman.

#### **4. MEETINGS**

The Committee shall meet at least two times a year and otherwise as required.

#### **5. NOTICE OF MEETINGS**

- 5.1. Meetings of the Committee shall be convened by the Secretary to the Committee at the request of the Committee Chairman.

- 5.2. 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 five 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.

- 5.3. The notice period set out in paragraph 5.2 may be reduced at the sole discretion of the Committee Chairman to whatever they consider appropriate.

- 5.4. The Committee may send notices, agendas, and supporting papers in electronic form where the recipient has agreed to receive documents in such a way.

#### **6. VOTING ARRANGEMENTS**

- 6.1. Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.

- 6.2. If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

- 6.3. Except where he has a person interest, the Committee chairman shall have a casting vote.

- 6.4. The Committee chairman may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

#### **7. MINUTES OF MEETINGS**

- 7.1. The secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.

- 7.2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the

Board unless, in the opinion of the Committee Chairman, it would be inappropriate to do so.

- 7.3. Final signed copies of the minutes of the Committee should be maintained for the Company's records, in hard and soft copy (where possible).

## **8. ANNUAL GENERAL MEETING**

The Committee Chairman should attend the annual general meeting of the Company to answer any shareholder questions on the Committee's activities.

## **9. DUTIES**

The Committee should carry out the duties below for the Group as a whole, as appropriate. The Committee shall:

- 9.1. regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- 9.2. 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 the skills and expertise needed on the Board in the future;
- 9.3. 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;
- 9.4. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 9.5. set measureable objectives for board diversity and prepare a policy on how to promote board diversity;
- 9.6. be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 9.7. before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - 9.7.1. use open advertising or the services of external advisers to facilitate the search;
  - 9.7.2. consider candidates from a wide range of backgrounds; and

- 9.7.3. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender and ethnicity, taking care that appointees have enough time available to devote to the position;
- 9.8. for the appointment of a Chairman, the Committee should prepare a job specification, including the time commitment expected. A proposed Chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairman's commitments should be reported to the Board as they arise;
- 9.9. prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 9.10. 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, Committee service and involvement outside Board meetings;
- 9.11. review the results of the Board performance evaluation process that relate to the composition of the Board;
- 9.12. review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and
- 9.13. work and liaise as necessary with all other Committees of the Board.
- 9.14. The Committee shall also make recommendations to the Board concerning:
  - 9.14.1. formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and chief executive;
  - 9.14.2. suitable candidates for the role of senior independent director;
  - 9.14.3. membership of the Audit and Risk, Remuneration and Disclosure Committees, and any other Board Committees as appropriate, in consultation with the chairmen of those Committees;
  - 9.14.4. 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;
  - 9.14.5. the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code (or any replacement governance code) or 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 and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);

9.14.6. 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

9.14.7. the appointment of any director to executive or other office.

## **10. REPORTING RESPONSIBILITIES**

10.1. The Committee Chairman shall report to the Board on its proceedings after each meeting of the Committee on all matters within its duties and responsibilities.

10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where the Committee considers action or improvement is needed.

10.3. The Committee shall produce a report to be included in the Company's annual report and accounts about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the Company's annual report and accounts and a statement made as to whether it has any connection with the Company.

10.4. The report referred to in paragraph 10.3 above should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

## **11. OTHER MATTERS**

The Committee shall:

11.1. have access to sufficient resources in order to carry out its duties, including access to the company secretarial function and any employees of the Group for assistance as required;

11.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;

11.3. give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code (or any replacement governance code) and the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules, and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate; and give due consideration to the recommendations and requirements of any body which regulates the activities of the Group (whether such recommendations and requirements have force of law or no);

11.4. arrange for periodic reviews of its own performance and, at least annually, review its 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; and

11.5. make available these terms of reference.

**12. AUTHORITY**

The Committee is authorised to:

12.1. undertake any activity within its terms of reference;

12.2. seek any investigations it requires from any employee of the Group in order to perform its duties; and

12.3. obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.