



## NOMINATION COMMITTEE – TERMS OF REFERENCE

---

*Reference to the:*

- i. *"Committee" shall mean the Nomination Committee;*
- ii. *"Board" shall mean the Board of Directors; and*
- iii. *"Code" shall mean the UK Corporate Governance Code*

### **1. Membership**

- 1.1. Members of the Committee shall be appointed by the Board and shall be made up of least three members, the majority of whom should be independent Non-Executive Directors.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3. Appointments to the Nomination Committee are made by the Board and shall be for a period of up to three years, which may be extended for two further periods of up to three years, provided the Director still meets the criteria for membership of the Nomination 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 their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
- 1.5. The Company Secretary (or his or her nominee) shall act as the Secretary of the Committee.

### **2. Quorum**

- 2.1. The quorum necessary for the transaction of business shall be two members both of whom must be independent Non-Executive Directors. 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. Meetings**

- 3.1. The Committee shall meet at least twice a year or at any other such time as the Chairman of the Committee shall require.
- 3.2. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee by reasonable prior notice to all members.

- 3.3. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 3.4. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and to all other members of the Board unless in the opinion of the Chairman it would be inappropriate to do so.
- 3.5. The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

#### **4. Duties**

The Committee shall:

- 4.1. 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;
- 4.2. 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;
- 4.3. be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 4.4. before 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, capabilities and time commitment required for a particular appointment. In identifying suitable candidates the Committee shall:
  - 4.4.1. use open advertising or the services of external advisers to facilitate the search;
  - 4.4.2. consider candidates from a wide range of backgrounds; and
  - 4.4.3. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, taking care that appointees have enough time available to devote to the position,
- 4.5. for the appointment of a Chairman, the Committee should prepare a job specification, including the time commitment expected.
- 4.6. A proposed Director's other significant commitments should be disclosed to the Board before appointment and any proposed changes to the Director's commitments should be reported to the Board as they arise to ensure the Director will continue to have enough time available to devote to the position;
- 4.7. 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;

- 4.8. keep under review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the development of a diverse pipeline of candidates for succession and the continued ability of the organisation to compete effectively in the marketplace;
- 4.9. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 4.10. review the results of the Board performance evaluation process that relate to the composition of the Board;
- 4.11. 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;
- 4.12. 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;
- 4.13. make recommendations to the Board concerning:
  - 4.12.1. plans for succession for both Executive and Non-Executive Directors and in particular for the key roles of Chairman and Chief Executive;
  - 4.12.2. suitable candidates for the role of Senior Independent Director;
  - 4.12.3. membership of the Audit and Remuneration Committees, in consultation with the Chairmen of those Committees;
  - 4.12.4. 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;
  - 4.12.5. the re-election by shareholders of Directors under the annual re-election provisions of the UK Corporate 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);
  - 4.12.6. 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,
- 4.14. liaise with the Group's financial adviser; broker and material shareholders (as appropriate) regarding any Board appointment.

## **5. Reporting Responsibilities**

- 5.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 5.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 5.3. The Committee shall produce a report to be included in the Company's annual report 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 annual report and a statement made as to whether it has any connection with the Company.
- 5.4. The report referred to in 5.3 above should include statements of
  - 5.4.1. the Board's policy on diversity and inclusion, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives;
  - 5.4.2. the gender balance of those in senior management and their direct reports; and
  - 5.4.3. the Board's approach to succession planning and appointments, and how these support the development of a diverse talent pipeline.
- 5.5. The Committee shall ensure that the papers accompanying any shareholder resolution proposing to elect or re-elect a Director set out the reasons why that Director's contribution is important to the Company's long-term sustainable success.

## **6. Other**

- 6.1. The Committee shall:
  - 6.1.1. give due consideration to laws and regulations, the provision of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate; and
  - 6.1.2. at least once a year, review its own performance, 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.

## **7. Authority**

- 7.1. The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 7.2. The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

Approved by the Board on 14 April 2016 and amended on 17 April 2019.