

## **NOMINATIONS COMMITTEE TERMS OF REFERENCE**

### **1. Membership**

- 1.1 The board of directors of the Company (the "**Board**") has resolved to establish a committee of the Board to be known as the nominations committee (the "**Committee**").
- 1.2 The Committee shall comprise at least three members, a majority of whom shall be independent non-executive directors (as determined by the Board). The members shall be appointed by the Board in consultation with the Committee chair.
- 1.3 The Committee chair shall be appointed by the Board and must either be the chair of the Company or an independent non-executive director. The chair shall not chair the Committee whilst it is dealing with the appointment of a successor to the chair of the Board. In the absence of the Committee chair, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.
- 1.4 Only members of the Committee have the right to attend Committee meetings. The chair of the Committee may also invite others to attend.
- 1.5 The Board and the Committee shall review membership of the nomination committee annually, as part of the annual performance evaluation of the Committee.

### **2. Secretary**

The secretary of the Committee shall be the company secretary of the Company (or his or her nominee) and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

### **3. Quorum**

The quorum necessary for the transaction of business shall be two members, both of whom must be independent non-executive directors. Meetings may be held in person or by telephone.

### **4. Frequency of meetings**

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

### **5. Meetings**

- 5.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members.
- 5.2 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 in good time for each meeting. Supporting papers shall be sent to Committee members at the same time.
- 5.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

### **6. Minutes of meetings**

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

- 6.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.3 Draft minutes of Committee meetings shall be agreed with the Committee chair and then circulated promptly to all members of the Committee. Once approved, minutes should then be circulated to all other member of the Board, unless it would be inappropriate to do so in the opinion of the Committee chair.
- 7. Annual general meeting**  
The Committee chair should attend the annual general meeting to answer any shareholder questions on the committee's activities and responsibilities.
- 8. Role and Duties**
- 8.1 The role of the Committee is to:
- (a) assist the Board in ensuring its composition is regularly reviewed and refreshed, taking into account skills, experience, knowledge and the length of service of the Board as a whole, so that it is effective and able to operate in the best interests of shareholders;
  - (b) ensure that there is a formal, rigorous and transparent procedure for appointments to the Board; and
  - (c) ensure that an effective succession plan is maintained for the Board and senior management and a diverse pipeline for succession is developed.
- 8.2 During their tenure, each Committee members shall consider their duties and responsibilities under section 172 of the Companies Act 2006 in performing their roles.
- 8.3 The Committee shall:
- (a) review the structure, size and composition (including the skills, knowledge, independence, experience and diversity) of the Board and its committees, taking into account the Company's strategic priorities and matters affecting the Company and make recommendations to the Board with regard to any changes;
  - (b) keep under review the structure, size and composition (including the skills, knowledge, experience and diversity) of the executive committee with a view to ensuring the continued ability of the Company to compete effectively;
  - (c) keep under review the number of external appointments and significant commitments held by each director to ensure that they are able to allocate sufficient time to their role and ensure that any changes to commitments are reported to the Board as they arise (and new additional external appointments are approved in advance by the chair of the Board before being accepted);
  - (d) consider proposals for the appointment, re-appointment, re-election or retirement of each non-executive director (including the chair) having given due regard to their performance and ability to continue to contribute to the Board and the Company's long-term sustainable success in the light of knowledge, skills and experience required and the length of service of the Board as a whole and its membership being regularly refreshed;
  - (e) consider, and if appropriate, authorise situational conflicts of interest of directors or potential directors. In addition, the Committee shall review any authorisation that has been given in light of a change in circumstances of which it becomes aware;
  - (f) in respect of executive directors and corporate officers, consider (i) proposals for their appointment, re-appointment or promotion and (ii) any proposal for their dismissal or non-reappointment of any substantial change in their duties or the terms of their appointment;

- (g) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise and (having evaluated the balance of skills, knowledge and experience on the Board) prepare a description of the role, capabilities and time commitment required for such appointment. In identifying suitable candidates the Committee shall:
  - i. consider candidates from a wide range of backgrounds;
  - ii. use open advertising or external advisers to facilitate the search;
  - iii. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, social and ethnic backgrounds; and
  - iv. have due regard that appointees are able to allocate sufficient time to devote to the position and discharge their responsibilities effectively;
- (h) prior the appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that may result in a conflict of interest;
- (i) 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;
- (j) ensure that all new directors undertake an appropriate induction programme to ensure that they are fully informed about the Company's main areas of business activity, including those involving significant risk, and the strategic priorities and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director;
- (k) review the Company's succession plan to ensure its adequacy, taking into account the challenges and opportunities facing the Company and accordingly what skills will be needed going forwards in connection with the same;
- (l) oversee the development of a diverse pipeline for succession for the Board and senior management, having regard to diversity of gender, social and ethnic backgrounds, cognitive and personal strengths;
- (m) in conjunction with human resources prepare a policy on the promotion of diversity and inclusion on the Board and in senior management;
- (n) ensure that all directors offer themselves for annual re-election by shareholders in accordance with Provision 18 of the Financial Reporting Council's UK Corporate Governance Code (the "**Code**") or the retirement by rotation provisions in the articles of association, having regard to their performance and ability to continue to contribute to the Board and the Company's long-term sustainable success, in the light of the knowledge, skills and experience required and the length of service of the Board as a whole and its membership being regularly refreshed;
- (o) consider any training requirements for the Board as a whole;
- (p) assist the chair of the Board and the senior independent director with the implementation of an annual evaluation process to assess the overall and individual performance and effectiveness of the Board, its committees and directors and ensure that such evaluation is externally facilitated at least every three years.

## **9. Reporting responsibilities**

- 9.1 The chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and on any other issues on which the Board as requested the Committee's opinion. The Committee chair shall also formally report to the Board on how the Committee has discharged its responsibilities.

- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, including recommendations, after consultation with the respective Committee chairs, appointments to, or changes to the membership of, Board committees as necessary.
- 9.3 The Committee shall compile a report to be included in the Company's annual report, detailing its activities. The report should include the process used to make appointments, its approach to succession planning and how both support developing a diverse pipeline. It shall explain if external advice or open advertising has been used in connection with any appointments and, where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether such agency has any connection with the Company.
- 9.4 The report referred to above shall also include:
- (a) a statement on the Board's policy on diversity and inclusion and any measurable objectives that it has for implementing the policy, and progress on achieving the objectives, as well as the gender balance of those in senior management and their direct reports; and
  - (b) details of how the Board evaluation has been conducted, the outcomes and actions taken and how it has or will influence the Board.

## **10. Other matters**

### **10.1 The Committee shall:**

- (a) have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- (b) 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;
- (c) give due consideration to relevant laws and regulations, the provisions of the Code and the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook, the EU Market Abuse Regulation and any other applicable rules, as appropriate;
- (d) 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.

- 10.2 The Committee shall make publicly available the Committee's terms of reference by placing them on the Company's website.

## **11. Authority**

The Board authorises the committee to:

- (a) seek any information it requires from any employee of the Company in order to perform its duties;
- (b) carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- (c) have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.