

# Terms of reference

## Nominations Committee

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### 1. Membership

- 1.1. The Committee shall comprise at least two members. The appointment and removal of Committee members should be a matter for the Board as a whole.
- 1.2. A majority of the members of the Committee shall be independent non-executive Directors.
- 1.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, Chief Financial Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.4. The Board shall appoint the Committee Chair who should be either the Chair of the Board or an independent Non-executive Director. In the absence of the Committee Chair 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 Chair shall not Chair the Committee when it is dealing with his/her succession.

### 2. Secretary

- 2.1. The Company Secretary, or his or her nominee, shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

### 3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two members, both of whom must be independent Non-executive Directors.

### 4. Frequency of meetings

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

### 5. Notice of meetings

- 5.1. Meetings of the Committee may be conducted when the members are physically present together or in the form of either audio or video conference.
- 5.2. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.
- 5.3. Unless otherwise agreed, notice of each meeting confirming the venue (or conference call details), 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 soon as reasonably practicable before each meeting.

## **6. Minutes of meetings**

- 6.1. The Secretary shall minute the proceedings and decisions of all Committee meetings, including the names of those present and in attendance.
- 6.2. 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 it would be inappropriate to do so in the opinion of the Committee Chair.
- 6.3. A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

## **7. Annual General Meeting**

- 7.1. The Committee Chair should attend the Annual General Meeting to answer shareholder questions on the Committee's activities.

## **8. Roles and Responsibilities**

- 8.1. The role of the Committee is to ensure plans are in place for orderly succession to both the Board and senior management positions and oversee the development of a diverse pipeline for succession.
- 8.2. The Committee should carry out the duties below for the parent Company, major subsidiary undertakings and the group as a whole, as appropriate.
- 8.3. The Committee shall:
  - 8.3.1. Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
  - 8.3.2. 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:

- (a) use open advertising or the services of external advisers to facilitate the search
  - (b) consider candidates from a wide range of backgrounds
  - (c) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.
- 8.3.3. For the appointment of a Chair, the Committee should prepare a job specification, including the time commitment expected. A proposed Chair's other significant commitments should be disclosed to the Board

before appointment and any changes to the Chair's commitments should be reported to the Board as they arise.

- 8.3.4. 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.
  - 8.3.5. 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.
  - 8.3.6. Take an active role in setting measurable diversity targets, objectives and strategies for the Board and Senior Management positions, and in promoting diversity and inclusion on the Board and senior management.
  - 8.3.7. Regularly review the structure, size and composition (including the skills, knowledge, independence, experience and diversity) of the Board, taking account of the Company's strategic priorities and the matters affecting the Company in paragraph 8.3.10, and make recommendations to the Board with regard to any changes.
  - 8.3.8. Ensure plans are in place for orderly succession to both the Board and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills, expertise, independence, knowledge and diversity needed on the Board in the future, the length of service of the Board as a whole and the need for its membership to be regularly refreshed.
  - 8.3.9. 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.
  - 8.3.10. Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
  - 8.3.11. Review the results of the Board performance evaluation process that relate to the composition of the Board.
  - 8.3.12. 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.
  - 8.3.13. Work and liaise as necessary with all other Board Committees.
- 8.4. The Committee shall also make recommendations to the Board concerning:
- 8.4.1. Formulating plans for succession for both executive and Non-executive Directors and in particular for the key roles of Chair and Chief Executive.
  - 8.4.2. Suitable candidates for the role of Senior Independent Director.

- 8.4.3. Membership of the Audit & Risk and Remuneration Committees, and any other Board Committees as appropriate, in consultation with the Chair of those Committees.
- 8.4.4. 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 knowledge, skills and experience required.
- 8.4.5. The re-election by shareholders of Directors under the annual re-election provisions of the 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).
- 8.4.6. 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.
- 8.4.7. The appointment of any Director to executive or other office.

## **9. Reporting responsibilities**

- 9.1. The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and 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.
- 9.3. The Committee shall compile a report to be included in the Company's Annual Report. The report should include:
  - 9.3.1. the process used in relation to appointments, the approach to succession planning and how both support developing a diverse pipeline, having regard to diversity of gender, social and ethnic backgrounds, cognitive and personal strengths
  - 9.3.2. how the Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual directors, the outcomes and actions taken, and how it has or will influence Board composition
  - 9.3.3. the policy on diversity and inclusion, objectives and linkage to the Company's strategy, how it has been implemented and progress on achieving the objectives
  - 9.3.4. the gender balance of those in the senior management and their direct reports
  - 9.3.5. details on engagement with the Company's shareholders on significant matters.

## **10. Other matters**

The Committee shall:

- 10.1. Have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
- 10.2. 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.
- 10.3. Give due consideration to laws and regulations, the provisions 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.
- 10.4. 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.

## **11. Authority**

- 11.1. The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.