

## Terms of Reference - Nomination Committee

### **I. COMPOSITION**

- 1.1 The Nomination Committee shall be a Committee of the Board and its members appointed by the Board.
- 1.2 The Committee shall comprise not less than three non-executive directors of the Company. The Board shall appoint the Chair of the Committee. A majority of the members of the Committee shall be independent non-executive directors.
- 1.3 The Chair of the Committee shall be either the Chair of the Board or an independent non-executive director, but the Chair of the Board should not chair the Committee when it is dealing with the appointment of his or her successor. In the absence of the Chair, the senior independent director shall chair the meeting.
- 1.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, Group HR Director and external advisers may be invited to attend all or part of any meeting, as and when appropriate and necessary.
- 1.5 The Company Secretary or his or her nominee shall be the Secretary to the Committee.
- 1.6 Each member shall hold office as a Committee member for a period of up to three years, which may be extended by no more than two additional periods of up to three years, so long as the member continues to meet the criteria for membership of the Committee.
- 1.7 The Chair and members shall be listed each year in the Company's Annual Report.

### **2. MEETINGS**

- 2.1 The quorum for any meeting shall be two of the Committee members present throughout the meeting in person, or by telephone or video conference, one of whom must be an independent non-executive director.
- 2.2 The Committee shall normally meet at least two times a year and additionally as and when required. The Chair of the Committee may convene meetings at his or her discretion. A meeting of the Committee may also be called by any member of the Committee or by the Secretary.
- 2.3 Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers (where appropriate) shall be forwarded to each member of the Committee, and to each other person invited to attend (as appropriate), not less than five clear working days prior to the date of the meeting. All reasonable efforts shall be made to give notice

of meetings of the Committee and to arrange such meetings so that members are able to attend them.

- 2.4 A member of the Committee may participate in a Committee meeting by telephone or video conference.
- 2.5 In the event of equality of votes, the Chair of the Committee shall have a casting vote.
- 2.6 If any member of the Committee is unable to act for any reason, the Chair of the Committee may appoint another non-executive director of the Company agreed by other members of the Committee to act as that member's alternate.
- 2.7 The members of the Committee shall serve on the Committee at the discretion of the Board and may be removed by the Board.

### **3. RESPONSIBILITIES**

3.1 The responsibilities of the Committee are:

- (a) to regularly review the structure, size and composition (including the skills, experience and knowledge) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- (b) to ensure plans are in place for an orderly succession to Board and senior management positions and oversee the development of a diverse pipeline for succession;
- (c) consider the length of service of the Board as a whole so that the membership of the Board is regularly refreshed;
- (d) to be responsible for identifying and nominating, for the approval of the Board, candidates to fill board vacancies as and when they arise;
- (e) before appointment is made by the Board, to evaluate the balance of skills, experience and knowledge on the Board, and the future challenges affecting the business, 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:
  - (i) use open advertising and / or the services of an external search consultancy to facilitate the search;
  - (ii) consider candidates from a wide range of backgrounds; and
  - (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, cognitive and personal strengths, taking care that appointees have enough time available to devote to the position;

- (f) to 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;
- (g) to keep up to date and fully informed about strategic priorities and main trends and factors affecting the long-term success and future viability of the Company;
- (h) to 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, such letters being made available for inspection at the Company's registered office during normal business hours and at the Company's annual general meeting;
- (i) prior to the appointment of a director, to ensure that the proposed appointee 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;
- (j) to ensure that all new directors undertake an appropriate induction programme to ensure that they are fully informed about the strategic and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director;
- (k) to keep under review the number of external directorships held by each non-executive director;
- (l) to review annually the time required from non-executive directors;
- (m) in respect of the appointment of a Chair of the Board, to 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 his/her commitments should be reported to the Board as they arise;
- (n) to review the results of the Board performance evaluation process that relate to the composition of the Board;
- (o) to ensure that evaluation of the Board is externally facilitated at least every three years;
- (p) to keep the Board Inclusion Policy under review to ensure its effectiveness and alignment with best practice and the requirements of the UK Corporate Governance Code and any other relevant legislation, and recommend any revisions to the Board for approval;
- (q) to prepare a report for inclusion in the Annual Report about its activities, including a statement of the Board's policy on diversity and inclusion, including gender, any measurable objectives that it has set for implementing the policy, progress on achieving the objectives and linkage to company strategy. The report should note the process used in relation to appointments, its approach

to succession planning and how both support developing a diverse pipeline 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. The report should include 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. The report should also note the gender balance of those in senior management and their direct reports; and

- (r) to make available these Terms of Reference, setting out the role and the authority delegated to it by the Board.

3.2 The Committee shall also make recommendations to the Board concerning:

- (a) the succession planning process for the entire Board and senior management, in particular for the key roles of Chair and Chief Executive;
- (b) suitable candidates for the role of Senior Independent Director;
- (c) appointment of the Company Secretary;
- (d) membership of the Audit and Remuneration Committees, and any other Board committees as appropriate, in consultation with the chair of those Committees;
- (e) 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 and to the Company's long-term sustainable success in the light of the knowledge, skills and experience required;
- (f) the re-election by shareholders of any director under the annual re-election provisions of the UK Corporate Governance Code (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 and to the Company's long-term sustainable success in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board;
- (g) any matters relating to the continuation in office of any director, 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
- (h) the appointment of any director to executive or other office.

#### **4. ANNUAL GENERAL MEETING**

- 4.1 The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

#### **5. REPORTING PROCEDURE**

- 5.1 The Chair of the Committee shall make a verbal report to the next meeting of the Board of matters considered by the Committee.
- 5.2 The Chair of the Committee shall make whatever recommendations to the Board the Chair deems appropriate on any area within the Committee's remit where action or improvement is needed.
- 5.3 The Secretary shall circulate to all members of the Committee the draft minutes of the meetings of the Committee. After the approval and signature by the Chair, the Secretary may make these minutes available to other members of the Board and other attendees (redacted, where necessary) at the discretion of the Chair, unless in the opinion of the Chair it would be inappropriate to do so or a conflict of interest may arise.

#### **6. TERMS OF REFERENCE - REVIEW**

- 6.1 The Committee shall, 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 by the Board to seek any information it requires from any employee of the Company (or any of its subsidiaries) in order to perform its duties.
- 7.2 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, as well as obtain other information which it deems necessary to help fulfil its obligations. The Committee may, if it thinks fit, secure the attendance at meetings of external advisers with relevant experience and expertise at the Company's expense.

#### **8. OTHER MATTERS**

The Committee shall:

- 8.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat as required;
- 8.2 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; and

- 8.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate.

**Adopted 27 March 2019**