

# **Nomination Committee**

## **Terms of Reference**

As approved by the Board on 24 March 2022

### **Membership and Quorum:**

The Committee shall consist of the Chair of the Company and all the non-executive directors of the Company. The Chair of the Company shall chair the Committee, except when it is dealing with the appointment of the Chair's successor.

A quorum shall be two members both of whom must be independent non-executive directors. A majority of those attending must also have been 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. If the Chair is not present those attending the meeting may appoint an independent non-executive director attending the meeting to chair it.

The Company Secretary (or in his or her absence the Deputy Company Secretary or some other person nominated by the Company Secretary and acceptable to the Committee) shall act as secretary to the Committee.

The Committee shall meet as often as the Chair may consider to be necessary to discharge its responsibilities or at the request of any other member of the Committee.

### **Engagement with shareholders**

The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities. In addition the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

### **Responsibilities:**

The Committee shall:

- 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;
- ensure plans are in place for orderly succession to Board and senior management positions, and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future.
- keep under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the market place;
- keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;

## Nomination Committee

- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and the time commitment expected.
- In identifying suitable candidates the Committee shall:
  - use open advertising or the services of external advisers to facilitate the search, unless, in its opinion, it is not necessary or not in the Company's interest to do so and explains this in its report in the Annual Report
  - consider candidates from a wide range of potentially suitable backgrounds
  - consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the Board and taking care that appointees have enough time available to devote to the position;
- prior to the appointment of a director, other significant time commitments should be disclosed and any additional future commitments should not be undertaken without prior approval of the Chair. The proposed appointee should also be required to disclose any other business interests that may result in a conflict of interest. These must be authorised by the Board prior to appointment and any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the Board;
- 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;
- review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning
- review annually the time required from non-executive directors for the performance of their duties to the Company;
- work and liaise as necessary with other Board committees;
- review regularly the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes;
- make a statement in the annual report about its activities.

The Committee shall make recommendations to the Board:

- any changes to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved;
- as regards plans for succession for both executive and non-executive directors;

## Nomination Committee

- as to suitable candidates for the role of senior independent director;
- as regards the membership of the Audit and Remuneration Committees, and any other Board Committees as appropriate, in consultation with the Chair of those Committees;
- as regards 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;
- concerning the annual re-election by shareholders of any director under the annual re-election provisions of the Code or retirement by rotation provisions in the Company's Articles of Association, having due regard to their performance and ability, and why their contribution is important to the Company's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the Board, taking into account the length of service of individual directors, the Chair and the Board as a whole;
- concerning 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
- concerning the appointment of any director to executive or other office other than to the positions of chair and chief executive, the recommendation for which would be considered at a meeting of the Board.

The Committee shall recommend draft Non-Financial Measures to the Remuneration Committee for inclusion in the Group's executive annual bonus scheme. The Remuneration Committee shall decide whether and how to include the recommendations in the scheme.

### Reporting responsibilities

The Committee shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for Board discussion when necessary.

The Committee shall produce a report to be included in the Company's annual report describing the work of the Nominations Committee, including

- the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline
- how 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 influenced or will influence Board composition
- the policy on inclusion and diversity, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives, and
- the gender balance of those in the senior management team and their direct reports.

## **Nomination Committee**

If an external search consultancy has been engaged, it should be identified in the Company annual report alongside a statement about any other connection it has with the Company or individual directors.

The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required. The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and an ongoing basis for all members.

The Committee shall give due consideration to all relevant laws and regulations, the provisions of the Code and associated guidance, the requirements of the FCA'S Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate.

The Committee shall review its own performance, constitution and terms of reference at least once a year to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

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