

## **TERMS OF REFERENCE FOR NOMINATION COMMITTEE**

### **1. CONSTITUTION**

This committee of the board of directors (the "**Board**") known as the Nomination Committee (the "**Committee**") is established by resolution of the Board and in accordance with the Articles of Association of the Company. In these terms of reference, the "**Group**" means the Company and its subsidiaries from time to time.

### **2. MEMBERSHIP**

- 2.1 The Committee shall be appointed by the Board from amongst the non-executive directors of the Company and shall consist of not less than two members. A majority of the members shall be independent non-executive directors.
- 2.2 The chairman of the Committee shall be appointed by the Board from among the independent non-executive members of the Committee. The Board will also determine his or her period of office. In the absence of the chairman of the Committee or any deputy appointed by the Board, the remaining members present at any meeting shall elect one of their number (being an independent non-executive director) 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 of the Board.
- 2.3 If a regular member is unable to act due to absence, illness or any other cause, the chairman of the Committee may, if there are any other non-executive directors, appoint another non-executive director of the Company to serve as an alternate member provided that the Committee continues to have a majority of independent non-executive directors from time to time.
- 2.4 The Board shall regularly review the membership of the Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals.

### **3. SECRETARY**

- 3.1 The secretary of the Committee shall be the Company Secretary (or his or her nominee).
- 3.2 The secretary of the Committee 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.
- 3.3 The secretary of the Committee shall keep a record of the membership, and the dates of any changes to the membership, of the Committee.
- 3.4 The secretary of the Committee must ascertain, at the beginning of each meeting, whether any conflicts of interest exist and, if so, minute them accordingly.

#### **4. QUORUM**

The quorum necessary for the transaction of the business of the Committee shall be two members of whom at least one must be an independent non-executive director. 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.

#### **5. ATTENDANCE AT MEETINGS**

The Committee shall have the discretion to decide who, other than its members, shall attend its meetings. However, no director shall be involved in any decision or present at any discussions as to his or her own appointment.

#### **6. FREQUENCY OF MEETINGS AND NOTICE**

- 6.1 Meetings shall be held not less than once a year and shall be convened by the secretary of the Committee at the request of the chairman of the Committee.
- 6.2 In addition to the routine meetings of the Committee, either the chairman of the Committee or any other member of the Committee may at any time request the secretary of the Committee to convene a meeting if he or they consider it necessary.
- 6.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date (together with an agenda of items to be discussed and any supporting papers) shall be forwarded to each member of the Committee and any other person required to attend no fewer than 5 working days prior to the date of the meeting.

#### **7. AUTHORITY**

- 7.1 The Committee is authorised to investigate any activity within its terms of reference.
- 7.2 The Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties and all employees are directed to co-operate with any request made by the Committee.
- 7.3 The Committee is authorised by the Board to obtain internal or external legal or other independent professional advice on any matter within its terms of reference including the advice of independent remuneration consultants and/or search consultants and to secure the attendance of internal or external professional advisers at its meetings if it considers this necessary.

#### **8. DUTIES**

- 8.1 The Committee should carry out the duties set out below, on the basis of the considerations specified in paragraph 8.2, for the Company and the Group as a whole:
  - (a) to review regularly the structure, size and composition (including the skills, experience, independence, knowledge and diversity) of the Board and make recommendations to the Board with regard to any necessary adjustments;

- (b) without prejudice to the duties of the Board as a whole, to keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates in order to assist with succession planning;
- (c) before any appointment is considered by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment including the time commitment required. In identifying suitable candidates the Committee shall, where possible:
  - (i) use open advertising or the services of external advisers to facilitate the search;
  - (ii) consider candidates from a wide range of backgrounds; and
  - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- (d) to identify and nominate suitable candidates for the approval of the Board to fill vacancies on the Board as and when they arise;
- (e) to satisfy itself, with regard to succession planning, that the processes and plans are in place for appointments to the Board and senior management taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future;
- (f) to assess and articulate the time needed to fulfil the role of chairman of the Board, executive director, senior independent non-executive director and non- executive director and to perform an annual performance evaluation to ensure that all members of the Board are devoting sufficient time to fulfil their duties with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- (g) to ensure on appointment that a candidate has sufficient time to undertake the role and review his or her commitments, bearing in mind the recommendations of the UK Corporate Governance Code as to which other commitments may or may not be appropriate;
- (h) in the case of a proposed chairman of the Board, to ensure the chairman's other significant commitments are disclosed to the Board before appointment and any changes to the chairman's commitments are reported to the Board as they arise;
- (i) prior to the appointment of a director, to require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to ensure that any future business interests that could result in a conflict of interest are reported;
- (j) to ensure that the Company Secretary on behalf of the Board has formally written to any appointees, detailing the role and time commitments in an appointment letter and proposing an induction plan produced in conjunction with the chairman of the Board;

- (k) to review the results of the Board performance evaluation process that relate to the composition of the Board;
- (l) to consider and review the Board's policy on diversity on the Board, including gender, any measurable objectives that the Board has set for implementing the policy and progress on achieving those objectives;
- (m) from time to time to make recommendations to the Board regarding:
  - (i) the post of chairman of the Board, having made an assessment of that role at least every three years; the re-appointment of any non-executive director at the conclusion of his or her specified term of office, particularly when they have concluded their second term;
  - (ii) the re-election by shareholders of any director under the retirement by rotation provisions in the Company's articles of association and pursuant to the provisions of the UK Corporate Governance Code (to the extent voluntarily applied by the Company);
  - (iii) any matters relating to the continuation in office as a director of any director at any time;
  - (iv) the appointment of any director to executive or other office;
  - (v) items that should be published in the Company's annual report relating to the activities of the Committee; and
  - (vi) the membership and chairmanship of the Audit and Risk Committee, Remuneration Committee, Nominations Committees and Strategy & Investment Committee and any other Committees of the Board in consultation with the Chairman of those Committees;
  - (vii) suitable candidates for the role of Senior Independent Director; and
- (n) to address any other matters relating to the above referred to the Committee by the Board.

8.2 The considerations referred to in 8.1 above are those required to be taken into account by all applicable codes of practice and laws and the Committee's view of good practice at the relevant time.

8.3 The Committee shall ensure that its terms of reference are publicly available and include an explanation of its role and the authority delegated to it by the Board.

## **9. REPORTING RESPONSIBILITIES**

9.1 The Committee chairman shall report to the Board on its proceedings after each meeting and 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 chairman of the Committee shall attend the annual general meeting prepared to respond to any shareholder questions on the Committee's activities.
- 9.4 The Committee produce a report to be included in the Company's annual report and accounts about its activities and the process used to make appointments, explaining whether external advice or open advertising has been used. Where an external search agency has been used, it shall be identified in such report and a statement shall be made as to whether the agency has any connection with the Company.
- 9.5 Any report made may include a statement of the Board's policy on diversity, including gender, any measurable objectives that the Board has set for implementing the policy and progress on achieving those objectives.

## **10. MINUTES**

- 10.1 The Secretary shall minute all resolutions and proceedings of the Committee including the names of all those present and in attendance at meetings of the Committee.
- 10.2 The secretary of the Committee shall circulate final form minutes of the Committee meetings to all members of the Committee and to all members of the Board, unless in the opinion of the chairman of the Committee it would be inappropriate to do so.

## **11. OTHER MATTERS**

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 laws and regulations, the provisions of the UK Corporate Governance Code (to the extent voluntarily applied by the Company) and the requirements of the Listing Rules and any other applicable rules, in each case as applicable to, or appropriate for, the Company; and
- (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 for approval.