**NOMINATION COMMITTEE**

**TERMS OF REFERENCE**

**Adopted 13 May 2020**

**Amended 26 March 2025**

1. **Purpose**
   1. The Board has established a Nomination Committee (the "Committee") to lead the process for appointments, ensure plans are in place for orderly succession to both the Board and senior management1 positions, and oversee the development of a diverse pipeline for succession.
2. **Membership**
   1. Members of the Committee shall be appointed by the Board and shall comprise of a Chair and at least two other members.
   2. A majority of members of the Committee should be independent Non-Executive Directors.
   3. The Board shall appoint the Committee Chair who should be either the Chair of the Board or an Independent Non-Executive Director. The Chair of the Board should not chair the Committee when it is dealing with the appointment of their successor (or matters relating thereto). 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.
   4. Appointments to the Committee shall be for a period of up to three years, which may be extended for two additional three-year periods, provided the Director continues to qualify for membership under these Terms of Reference.
3. **Secretary**
   1. The Company Secretary or their nominee shall act as the Secretary of the Committee.

**4. Quorum**

4.1 The quorum necessary for the transaction of business shall be two members, in person or via electronic communications and both of whom should be independent Non-Executive Directors.

**5. Meetings**

The Committee should meet not less than twice a year, and at such other times as the Committee Chair shall require.

**6. Notice of Meetings**

6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chair of the Committee or any of its members.

6.2 Unless otherwise agreed, 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 and any other person required to attend, 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 appropriate, at the same time.

6.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals including the Chair of the Board (where not already a member of the Committee), the Chief Executive Officer, the Chief Human Resources Officer and external advisers may be invited to attend for all or part of any meeting when considered appropriate.

**7. Minutes of Meetings**

7.1 The Secretary shall minute the proceedings and resolutions of all Committee

meetings, including the names of those present and in attendance.

7.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

**8. Engagement with Shareholders and other Stakeholders**

8.1 The Committee Chair should[[1]](#footnote-2) attend the Annual General Meeting and be prepared to respond to any Shareholder questions on the Committee’s activities.

8.2 In addition, the Committee Chair should seek engagement with Shareholders, and other stakeholders where relevant, on significant matters related to the Committee’s areas of responsibility.

**9. Duties**

9.1 The Committee shall:

9.1.1 regularly review the structure, size and composition (including the balance of skills, experience, independence and knowledge) of the Board and taking into account diversity, inclusion and equal opportunity and make recommendations to the Board with regard to any changes, taking into consideration how effectively the members of the Board work together to achieve objectives, the length of the service of the Board as a whole and any emerging trends which could result in a change to the Company’s requirements for Board composition;

9.1.2 oversee succession planning for Directors and senior management, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future so as to maintain an appropriate balance of skills and experience within the Company and on the Board, to ensure progressive refreshing of the Board and the development of a diverse pipeline for succession;

9.1.3 lead the recruitment process for Board appointments and be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise. This process should be continuous and proactive, taking into account the Company’s strategic priorities and the main factors affecting the long-term sustainable[[2]](#footnote-3) success and future viability of the Company;

9.1.4 before an appointment is made by the Board, evaluate the balance of skills, experience, independence, knowledge, 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:

9.1.4.1 use open advertising or the services of external advisers to facilitate the search (subject always to paragraph 10.8 below);

9.1.4.2 consider candidates from a wide range of backgrounds having regard to the Board Diversity Policy;

9.1.4.3 consider candidates on merit and against objective criteria, having regard to the promotion of diversity, inclusion and equal opportunity; and

9.1.4.4 taking care that appointees have enough time available to devote to the position.

9.1.5 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 having regard to the long-term sustainable success and future viability of the Company;

9.1.6 keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;

9.1.7 for the appointment of a Chair of the Board, 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;

9.1.8 ensure that, prior to the appointment of a Director, the proposed appointee is required to disclose: (i) 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; and (ii) any significant commitments with an indication of time involved;

9.1.9 consider requests for approval of additional appointments, having regard to whether any such appointment would be likely to compromise the effectiveness of the requesting Director’s service to the Company. Advise the Board where any Director seeks consent to take on an additional external appointment, and ensure that the reasons for permitting any significant appointment are disclosed in the annual report;

9.1.10 review annually the time required from Non-Executive Directors. Performance reviews should be used to assess whether the Non-Executive Directors are devoting enough time to fulfil their duties;

9.1.11 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;

9.1.12 Committee members, in conjunction with the Chair of the Board and Company Secretariat, should be responsible for ensuring that all newly appointed Directors receive a full, formal and tailored induction upon joining the Board.

The induction should include, but not be limited, to the following:

* the Company’s business model and its purpose and values;
* the Company’s strategy, risk management and internal controls framework, and principal risks of the Company;
* Director’s rights, duties and responsibilities; and
* the role of the Company’s Board and management committees.

The Committee should also monitor ongoing Board training requirements to ensure Board members are adequately trained on risks, challenges and opportunities facing the Company;

* + 1. working with the Chief Human Resources Officer, take an active role in setting and meeting diversity objectives and strategies for the Company, and in monitoring the impact of diversity initiatives consistent with the principle of equal opportunity; and
    2. review the outcomes and recommendations of the annual performance review.
  1. The Committee shall also make recommendations to the Board concerning:
     1. formulating plans for succession for both Executive and Non-Executive Directors and in particular for the key roles of Chair of the Board and Chief Executive;
     2. suitable candidates for the role of Senior Independent Director;
     3. membership of the Audit, Remuneration and ESG Committees, and any other Board Committees as appropriate, in consultation with the Chair of those Committees;
     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 effectively to the Board in the light of the knowledge, skills and experience and independence required and whether their contribution is, and continues to be, important to the long-term sustainable success of the Company;

9.2.5 the election and re-election by Shareholders of any Director under the annual re-election provisions of the UK Corporate Governance Code[[3]](#footnote-4) 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 effectively 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);

* + 1. 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

9.2.7 the appointment of any Director to Executive or other office.

**10. Reporting Responsibilities**

10.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10.3 The Committee shall produce a report describing the work of the Nomination Committee to be included in the annual report, including:

* its activities and the process used in relation to appointments and its approach to succession planning, including how these both support developing a diverse succession pipeline;
* how the Board Performance review has been conducted, the nature and extent of an external reviewer's contact with the Board and individual directors, the outcomes and actions taken and how it has or will influence Board composition;
* the external reviewer should be identified in the annual report and a statement made about any other connection it has with the company or individual directors;
* the Board's policy and any initiatives on diversity, inclusion and equal opportunity, their objectives and link to the Company's strategy, how they have been implemented and progress on achieving the objectives; and
* the gender balance of those in senior management positions and their direct reports.

10.8 Open advertising and/or an external search consultancy should generally be used for the appointment of the Chair of the Board and Non-Executive directors. If an external search consultancy is engaged it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors. Where applicable, an explanation should be provided if neither an external search consultancy nor open advertising has been used.

**11. Other**

* 1. The Committee shall
     1. have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;
     2. give due consideration to laws and regulations and any other governance requirements or best practice standards applicable by virtue of the Company's stock exchange listing, including the provisions of the UK Corporate Governance Code, the Financial Conduct Authority's Prospectus Regulation Rules, Disclosure Guidance and Transparency Rules and the UK Listing Rules; and
     3. arrange for periodic reviews of its own performance, composition and diversity and how effectively its members work together to achieve objectives 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.

**12. Authority**

12.1 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties and secure the attendance of other persons at its meetings if it considers this necessary.

12.2 The Committee is authorised to obtain, at the Company’s expense, outside legal or other professional advice on any matters within its Terms of Reference.

1. [↑](#footnote-ref-2)
2. [↑](#footnote-ref-3)
3. [↑](#footnote-ref-4)