

Nominations Committee terms of reference

Policy purpose

The purpose of the Nominations Committee is to lead the process for Board appointments and to make recommendations to the Board. It also ensures that sufficient succession planning is in place.

1. Membership

- 1.1. The Committee will comprise at least two members. All members must be independent non-executive directors.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the head of human resources and external advisers may be invited to attend, for all or part of any meeting, as and when appropriate and necessary.
- 1.3. Appointments to the Committee are made by the Board and will be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.
- 1.4. The Board will 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 will 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 of the Board will not Chair the Committee when it is dealing with the matter of succession to the Chairmanship.

2. Secretary

- 2.1. The Company Secretary or his or her nominee will 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 the issues.

3. **Quorum**

3.1. The quorum necessary for the transaction of business will be two members.

4. **Frequency of meetings**

4.1. The Committee will meet at least once a year and otherwise as required.

5. **Notice of meetings**

5.1. Meetings of the Committee will be called by the secretary of the Committee at the request of the Committee Chair.

5.2. Unless otherwise agreed, notice of each meeting, confirming the venue, time and date, together with an agenda of items to be discussed, will be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than two working days before the date of the meeting. Supporting papers will be sent to Committee members and to other attendees as appropriate, at the same time.

6. **Minutes of meetings**

6.1. The Secretary will minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

6.2. Draft minutes of Committee meetings will be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chair it would be inappropriate to do so.

7. **Annual general meetings**

7.1. The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

8. Duties

The Committee should carry out the duties below for the parent company and major subsidiary undertakings as appropriate.

The Committee will:

- 8.1. 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
- 8.2. give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future
- 8.3. 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
- 8.4. keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates
- 8.5. be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise
- 8.6. 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 will
 - 8.6.1. use open advertising or the services of external advisers to facilitate the search
 - 8.6.2. consider candidates from a wide range of backgrounds
 - 8.6.3. 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
- 8.7. 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.

- 8.8. 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
- 8.9. 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
- 8.10. review the results of the Board performance evaluation process that relate to the composition of the Board
- 8.11. 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
- 8.12. work and liaise as necessary with all other Board Committees.

The Committee will also make recommendations to the Board concerning

- 8.13. formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chair and Chief Executive
- 8.14. suitable candidates for the role of senior independent director
- 8.15. membership of the audit and remuneration Committees, and any other Board Committees as appropriate, in consultation with the Chair of those Committees
- 8.16. 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
- 8.17. 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
- 8.18. 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

8.19. the appointment of any executive director

9. **Reporting responsibilities**

9.1. the Committee Chair will report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities

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

10. **Other matters**

The Committee will:

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 for approval.

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.