

Constitution and Terms of Reference – Nomination Committee (the “Committee”)

Adopted by the Board on 11 November 2020

Membership

1. The Nomination Committee shall be appointed by the Board and shall comprise a Chairman and at least two other members.
2. A majority of members of the Committee should be independent non-executive directors.
3. The Board should appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman the remaining members present shall elect one of their number, who is independent, 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.
4. Appointments to the Committee are made by the Board and shall 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.
5. The Company Secretary or their nominee shall act as the Secretary of the Committee.

Meetings

1. The Committee shall meet at such times as the Chairman of the Committee may require, but at least twice per year.
2. A meeting of the Committee may be called by the Secretary at the request of the Committee Chairman or a member.
3. The quorum necessary for the transaction of business shall be two. 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 or exercisable by the Committee.
4. Notice of each meeting confirming the venue, time and date, together with agenda of items to be discussed and supporting papers shall, unless otherwise agreed by all members, be forwarded to each member of the Committee and any other person required to attend, not fewer than five working days prior to the date of the meeting.
5. Only members of the Committee should have the right to attend Committee meetings. However, other individuals such as the Chief Executive, HR Director and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
6. No Committee attendee shall be present at any discussion or decision on his/her own appointment.
7. The Secretary shall keep appropriate records of all meetings of the Committee, together with minutes of the proceedings and resolutions.
8. Draft copies of the minutes of the meetings shall be circulated to all members of the Committee. The Committee Chairman shall provide a verbal update on the business considered by the Committee at each Board meeting.

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9. The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

Duties

The Committee shall

1. regularly review the Board structure, size and composition (including the skills, knowledge, experience and diversity) and make recommendations to the Board with regard to any changes;
2. give full consideration to succession planning for directors and other senior executives in the course of its work and oversee the development of diverse pipeline for succession, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed in the future;
3. be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
4. 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 shall:
 - 4.1 use open advertising or the services of external advisers to facilitate the search;
 - 4.2 consider candidates from a wide range of backgrounds, and
 - 4.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board and its Diversity policy, taking care that appointees have enough time available to devote to the position;
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;
6. keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
7. review annually the time required from non-executive directors. Annual Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and
8. 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. The Committee shall also make recommendations to the Board concerning:
 - 9.1 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;
 - 9.2 suitable candidates for the role of senior independent director;

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- 9.3 any changes needed to the succession planning process to ensure optimal board composition;
- 9.4 membership of the Audit and Risk and Remuneration Committee, in consultation with the chairmen of those committees;
- 9.5 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 the knowledge, skills and experience required;
- 9.6 the re-election by shareholders of any director under the annual re-election provisions of the UK Corporate Governance Code or the 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 (particularly in relation to directors being re-elected for a term beyond six years);
- 9.7 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;
- 9.8 the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full Board.;
- 9.9 the appointment of Chairman, for which the Committee should prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairman's commitments should be reported to the Board as they arise;
- 9.10 disclosures of any business interests made by a proposed director prior to their appointment that may result in a conflict of interest and the requirement for the appointee to report any future business interests that could result in a conflict of interest; and
- 9.11 its review of the results of the Board performance evaluation process that relate to the composition of the Board.

Reporting Responsibilities

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

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3. The Committee shall produce a report in the Company’s annual report about its activities, the process used to make appointments and an explanation 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.
4. The Committee report referred to in 3 above should include a statement of the Board’s diversity policy, including gender, any measureable objectives that it has set for implementing the policy, and progress on achieving objectives.

Other

The Committee shall:

1. 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
2. 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.

Authority

The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.

The Committee shall have access to sufficient resources in order to carry out its duties and is authorised when the fulfilment of its duties requires, to obtain any outside legal or other professional advice including the advice of independent remuneration consultants, and to secure the attendance of external advisers at its meetings, if it considers this necessary, at the Company's expense. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.