

## **Nomination Committee Terms of Reference**

### **1. Purpose**

The Nomination Committee is responsible for monitoring the balance of skills, knowledge, experience and diversity on the Board, recommending Board and Board Committee appointments to the Board and monitoring succession plans for the Executive Directors. The Committee is also responsible for the oversight of talent development throughout the Group and for ensuring there is a sufficient pipeline of talent available to achieve the Company's current and future strategy.

### **2. Membership**

2.1 The members, including the chairman of the Committee, shall be appointed by the Board.

2.2 The Committee shall comprise all of the independent non-executive directors of the Company. Appointments to the Committee shall be for a period of up to three years, which may be extended by no more than two additional periods of up to three years, provided the director still meets the criteria for membership of the Committee and subject to the articles of association of the Company and re-election by shareholders.

### **3. Quorum and meeting procedures**

3.1 A quorum of the Committee shall be any two members.

3.2 The Chairman of the Board shall be the chairman of the Committee. In the absence of the Committee chairman, the remaining members present shall elect one of themselves to chair the meeting. Where a meeting is considering issues relating to the Chairman of the Board, including the appointment of his successor, the senior independent director shall take the chair.

### **4. Attendance at meetings**

4.1 Only Committee members have the right to attend Committee meetings. Other Board members, members of Management and any advisers appointed by the Committee may attend any meeting of the Committee if invited by the Committee, except for any part of a Committee meeting at which their own position is being discussed.

4.2 The Group Company Secretary or her nominee shall be the secretary of the Committee and attend the meetings.

### **5. Frequency of Meetings**

5.1 Meetings shall be held not less than annually and at such other times as required.

### **6. Notice of Meetings**

6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairman.

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, any other person required to attend, no later than five working days before the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **7. Minutes of Meetings**

- 7.1 The secretary of the Committee shall ensure that a formal record of Committee proceedings and resolutions is maintained.
- 7.2 Following approval of the minutes by the Chairman of the Committee they shall be circulated to all members of the Committee.

## **8. Authority**

The Committee is authorised by the Board to:

- 8.1 investigate, or cause to be investigated, any activity within its terms of reference;
- 8.2 seek any information that it requires from any employee of the Company in order to perform its duties and require all employees to co-operate with any request made by the Committee;
- 8.3 obtain at the Company's expense external legal or independent professional advice from such advisers as the Committee shall select, who may at the invitation of the Committee attend meetings as necessary;
- 8.4 meet for despatch of its business, adjourn and otherwise regulate its meetings as it sees fit including approving items of business by the written resolution procedure set out in the Company's articles of association; and
- 8.5 delegate any of its duties as is appropriate to such persons or person as it thinks fit.

## **9. Duties**

The duties of the Committee shall be to:

Board and Executive/Senior Management

- 9.1 identify and nominate for the Board's approval, suitable candidates to fill casual vacancies and additional appointments to the Board, against a specification of the role and capabilities required for the appointment;
- 9.2 identify and nominate for the Board's approval the appointment of the Chairman of the Board, the Senior Independent Director, and membership and chairmanship of the Audit, Risk, Nomination, Remuneration and Governance Committees of the Board, in consultation with the chairman of each committee as appropriate;
- 9.3 in identifying suitable candidates the Committee may use open advertising or the services of external advisers to facilitate the search and shall consider candidates from a wide range of backgrounds. The Committee will

consider candidates on merit and against objective criteria and consider any other business interests of the candidates that may result in a conflict of interest;

- 9.4 Approve the Board's approach to diversity and inclusiveness and any public statement thereon;
- 9.5 evaluate and keep under review the structure, size and composition of the Board, including the balance of skills, knowledge, experience and diversity of the Board and directors (and the changes likely to be necessary for the future), taking into account the Company's risk appetite and its strategy, and make recommendations to the Board in relation to the rotation and succession of non-executive directors;
- 9.6 when identifying candidates for membership of the Audit Committee, the Committee will ensure that at least one Audit Committee member has recent and relevant financial experience and meets the SEC requirements to be an Audit Committee financial expert;
- 9.7 monitor and review the succession plans for the Group Chief Executive Officer and other executive directors with a view to making a recommendation to the Board regarding any changes;
- 9.8 review on a regular basis the career and development plans for the Company's most senior members of management with a view to ensuring that there is an adequate talent pool of potential executive directors, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future and the need to compete effectively in the marketplace;
- 9.9 make recommendations to the Board relating to non-executive directors' independence and to review annually each non-executive director's independence including their available time commitments and performance. For this purpose "independence" shall mean independence from Management and freedom from any business or other relationships which could materially interfere with the exercise of their independent judgement. In assessing a director's independence, the Nomination Committee and the Board will take into account whether the director:
  - Has been an employee of the Company or Group within the last five years;
  - Has, or has had, within the last three years, a material business relationship with the Company either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company;
  - Has received or receives additional remuneration from the Company apart from a directors' fee, participates in the Company's share option or performance-related pay scheme, or is a member of the Company's pension scheme;
  - Has close family ties with any of the Company's advisers, directors or senior employees;

- Has cross-directorships or has significant links with other directors through involvement in other companies or bodies;
- Represents a significant shareholder; or
- Has served on a Board for more than nine years from the date of his first election.

In relation to appointments to the Audit Committee, the following requirements of the SEC under Rule 10A under the US Securities Exchange Act of 1934 will also be considered when assessing independence:

In order to be considered to be independent, a member of an audit committee of a listed issuer that is not an investment company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee:

- (A) Accept directly or indirectly any consulting, advisory, or other compensatory fee from the issuer or any subsidiary thereof, provided that, unless the rules of the national securities exchange or national securities association provide otherwise, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the listed issuer (provided that such compensation is not contingent in any way on continued service); or
- (B) Be an affiliated person of the issuer or any subsidiary thereof.

“Affiliated”

The term affiliate of, or a person affiliated with, a specified person, means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

A person will be deemed not to be in control of a specified person if the person:

1. Is not the beneficial owner, directly or indirectly, of more than 10% of any class of voting equity securities of the specified person; and
2. Is not an executive officer of the specified person.

- 9.10 make recommendations to the Board relating to each directors’ actual, potential or perceived conflicts of interests and to authorise any potential conflicts of interest which arise as a matter of urgency between Board meetings;
- 9.11 ensure that on appointment a director has sufficient time to undertake the role and to review his commitments;
- 9.12 make recommendations to the Board regarding the re-appointment of each director ahead of their re-election by shareholders at each Annual General

Meeting;

- 9.13 make recommendations to the Board relating to the continuation in office of any director;
- 9.14 review the results of the Board performance evaluation process in so far as it relates to the composition of the Board;
- 9.15 review any matters relating to the continuation in office of any director including the suspension or termination of service of an executive director as an employee of the Group;
- 9.16 approve a report on the Committee's activities for inclusion in the Company's Annual Report and Accounts; and
- 9.17 consider any other topics referred to it by the Board from time to time.

Group-Wide Talent Management

review the Group's policies and procedures in respect of the development of talent across the Group generally;

oversight of the talent population of the Group;

## **10. Reporting Procedures**

- 10.1 The chairman of the Committee shall report to the Board at regular intervals on the matters it has reviewed, making recommendations when requested or when he considers appropriate. The Group Company Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.
- 10.2 The Committee members shall undertake a review of the Committee's performance and these terms of reference annually and, if necessary, make recommendations to the Board for approval.
- 10.3 The Committee shall produce an annual report of the Committee's duties and activities during the year which will form part of the Company's Annual Report and Accounts.
- 10.4 The chairman of the Committee shall attend the Company's Annual General Meeting and shall answer questions, through the Chairman of the Board (if different), on the Committee's activities and responsibilities.