

NOMINATION COMMITTEE

TERMS OF REFERENCE

1. Membership

- 1.1. The Committee shall consist of not less than three non-executive directors.
- 1.2. Appointments to the Committee are made by the Board on the recommendation of the Nomination Committee and shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the director still meets the criteria for membership of the Committee.
- 1.3. 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 considered appropriate and necessary by the Committee.
- 1.4. The board shall 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 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. The Chair of the Board shall not chair the committee when it is dealing with the matter of succession of the chair of the Board.
- 1.5. When the role or appointment/re-appointment of any member to either the Board or any Committees is being discussed by the Committee, that member will excuse themselves from the discussions and the outcome of those discussions shall be notified to them by the Chair of the meeting that considered those matters.

2. Secretary

The company secretary, or their nominee, shall 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 issues.

3. Quorum

- 3.1. The quorum shall be any two members, both of whom must be independent non-executive directors.

4. Frequency of meetings

- 4.1. The Committee shall meet at least twice in each financial year and at such other times as the Committee Chair shall require.

5. Notice of meetings

- 5.1. Meetings of the Committee shall be called by the secretary of the committee at the request of the Committee Chair or any of its members.
- 5.2. Unless otherwise agreed, an agenda of items to be discussed and supporting papers shall be sent to Committee members and to other attendees, as appropriate no later than three 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. Minutes of meetings

- 6.1. Minutes shall be taken of the proceedings and decisions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Draft minutes of Committee meetings shall 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. Engagement with shareholders

- 7.1. The Committee Chair should be available to attend the AGM to respond to any shareholder questions relating to the Committee's activities. In addition, the Committee Chair should seek engagement with significant shareholders on significant matters related to the Committee's areas of responsibility.

8. Duties

The Committee shall:

- 8.1. regularly review the structure, size, and composition (including the skills, knowledge, experience, and diversity) required of the Board and make recommendations to the Board with regard to any changes;
- 8.2. Ensure plans are in place for orderly succession to Board and senior management positions, by considering emerging talent and overseeing the development of a diverse pipeline for succession for the Board and senior management at one level below Board, in particular the Executive Committee, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future. In this respect, the Committee shall seek to ensure that there is appropriate resilience planning prepared and in place in the event of one or more of the Board and senior management team not being able to perform their duties for a period exceeding say 3 months as a result of accident/illness or departure from the Company for any reason;
- 8.3. Keep up-to-date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- 8.4. 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;
- 8.5. 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 and the time commitment expected.

In identifying suitable candidates, the Committee shall:

- 8.6.1. use open advertising or the services of external advisers to facilitate the search as appropriate;
 - 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 of experience on the board, taking care that appointees have enough time available to devote to the position.
- 8.7. For the appointment of the Chair of the Board, 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, other significant time commitments should be disclosed, and any additional future commitments should not be undertaken without prior approval of the Committee. The proposed appointee should also be required to disclose any other business interests that may result in a conflict of interest. These must be authorised by the Board prior to appointment and any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the Board.
 - 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 as appropriate to assess whether the non-executive directors are spending enough time to fulfil their duties;
 - 8.12. To consider any request made by a director of the company to accept an outside directorship or other outside interest and make recommendations thereon; and
 - 8.13. Work and liaise as necessary with the Board and all other Board committees.

The Committee shall also make recommendations to the Board concerning:

- 8.14. Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved;
- 8.15. suitable candidates as new directors and succession for existing directors.

- 8.16. membership of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the chairs of those committees;
- 8.17. 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 having due regard to their performance and ability, and why their contribution is important to the company's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the Board, taking into account the length of service of individual directors, the chair and the board as whole;
- 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 director to executive or other office.

9. Reporting responsibilities

- 9.1. The Committee Chair shall report to the Board on the nature and content of its discussion, recommendations, and action to be taken and adequate time should be made available for board discussion when necessary.
- 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 Committee shall produce an annual report describing the work of the Nomination Committee, including:
 - 9.3.1. the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline and if an external search consultancy has been engaged, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors
 - 9.3.2. how board evaluation has been conducted, the nature and extent of an external evaluator's contact with the board and individual directors, the outcomes and actions taken, and how it has influenced or will influence board composition;
 - 9.3.3. the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives; and
 - 9.3.4. the Committee will consider the gender balance of those in the senior management teams and their direct reports annually.

10. Other matters

The Committee shall:

- 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 where appropriate;
- 10.3. give due consideration to laws and regulations, the provisions of the QCA Code and the requirements of the AIM rules and FCA's Listing rules as appropriate;
- 10.4. Ensure that a periodic evaluation of the Committee's own performance is carried out. At least annually, review the Committee's 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.