

## Nomination Committee

### Terms of Reference

*The primary responsibility of the Nomination Committee is to evaluate the balance of skills, knowledge, experience and diversity of the Board, and ensuring progressive renewal of Board membership through orderly succession planning.*

#### 1. MEMBERSHIP

- (a) The Committee shall comprise at least three members; two non-executive Directors and the Board Chair.
- (b) Members of the Committee shall be appointed by the Board.
- (c) Appointments to the Committee shall be for a period of up to three years, which may be extended for two further periods of up to three years, unless otherwise agreed by the Board.
- (d) The Board shall appoint the Committee Chair. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Board Chair shall not chair the meeting when it is dealing with the matter of succession to the Chair.

#### 2. SECRETARY

- (a) The Company Secretary or his or her nominee shall act as the Secretary of the Committee.

#### 3. MEETINGS

- (a) The Committee shall meet at least twice a year and otherwise as required.
- (b) The quorum necessary for the transaction of business shall be two members.
- (c) A member of the Committee may participate in a Committee meeting by telephone or video conference.
- (d) Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the HR Director and external advisers may be invited to attend all or part of any meeting as and when appropriate.

#### 4. NOTICE OF MEETINGS

- (a) Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.
- (b) 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 and all other non-executive Directors, no later than two 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.

#### 5. MINUTES OF MEETINGS

- (a) The Secretary, or his or her nominated representative, shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

- (b) The Chair shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- (c) Draft Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless in the opinion of the Committee Chair it would be inappropriate to do so.

## **6. DUTIES**

### **(a) Responsibilities and powers:**

The Committee shall be responsible for the following in connection with appointments to the Board and Management Board positions:

- (i) identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise, save that the appointment as Chairman or Chief Executive Officer shall be matters for the Board;
- (ii) establish a formal, rigorous and transparent procedure for the appointment of new Directors to the Board, based on merit measured against objective criteria. 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;
- (iii) before making an appointment, evaluate the balance of skills, knowledge, experience and diversity on the Board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - a. use open advertising or the services of external advisors to facilitate the search;
  - b. consider candidates from a wide range of backgrounds; and
  - c. consider candidates on merit 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;
- (iv) approve the appointment of members of the Management Board who are not Executive Directors;
- (v) review annually the time required from a non-executive director. Performance evaluation should be used to assess whether non-executive directors are spending sufficient time in fulfilling their duties;
- (vi) for the appointment of the Chairman, prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises;
- (vii) ensure plans are in place for orderly succession for the Board and Management Board, taking into account the challenges and opportunities facing the Company and the skills and expertise therefore needed, reporting to the Board regularly;
- (viii) regularly review the structure, size and composition (including the skills, knowledge, experience, diversity and independence of the Board) and recommend any necessary changes to the Board;
- (ix) review the results of the Board evaluation process that relate to the composition of the Board and any training or development needs of directors;
- (x) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- (xi) 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 services and involvement outside Board meetings;

- (xii) consider and make recommendations to the Board about the reappointment of any independent Non-Executive Director at the conclusion of their specified time of office or retiring in accordance with the Company's Articles;
- (xiii) consider and make recommendations to the Board on any matter relating to the continuation in office of any Director at any time;
- (xiv) consider and make recommendations to the Board on the composition of the Remuneration Committee; and
- (xv) The Committee shall make recommendations to the Board concerning:
  - a. suitable candidates for the role of senior independent director;
  - b. membership of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the Chair of those committees;
  - c. 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 light of their knowledge, skills and experience required;
  - d. the re-election by shareholders of directors under the annual re-election provides in the Company's articles of association, having due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required and the need for progressive refreshing of the Board; and
  - e. 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 having taken legal advice, as appropriate.

**(b) Reporting Responsibilities**

- (i) The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- (ii) The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- (iii) The Committee shall compile a report to shareholders on its activities to be included in the Company's Annual Report including the number of, and attendance by members at, Committee meetings.
- (iv) The Committee shall make its terms of reference publicly available and review these terms of reference on a regular basis and, if necessary, make recommendations to the Board for their amendment.

**(c) Other Matters**

- (i) The Committee shall give due consideration to laws and regulations, the provisions of the QCA Code of Corporate Governance, the UK Corporate Governance Code (with which the Board seeks to comply, where appropriate for the Group, on a voluntary basis) and the requirements of the AIM Rules and associated guidance as appropriate.
- (ii) The Committee shall oversee any investigation of activities which are within its terms of reference and act as a court of the last resort.
- (iii) At least once a year, the Committee shall 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.
- (iv) The Committee Chair shall attend the Company's Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

## **7. RESOURCES**

- (a) The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
- (b) The Committee is authorised by the Board to obtain, at the Group's expense, outside legal or other independent professional advice as it considers necessary on any matter within its terms of reference.
- (c) The Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties. All employees are expected to cooperate with any request made by the Committee.
- (d) The Committee shall 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.