

## Terms of Reference: Group Nomination and Governance Committee

### 1. Constitution and Purpose

The Committee is constituted by the Board of Directors with the purpose of assisting the Board:

- a. in meeting its responsibilities for ensuring that the Board retains an appropriate balance of skills to support the strategic objectives of the Group, has a formal rigorous and transparent approach to the appointment of Directors and maintains an effective framework for succession planning; and
- b. by providing appropriate oversight of the governance arrangements for the material subsidiaries of the Group (as defined from time to time).

### 2. Membership

- a. The membership of the Committee is restricted to the Chairman and the independent Non-executive Directors with a minimum of four members, one of whom should be the Senior Independent Director.

### 3. Meetings

- a. The Committee will meet at least twice a year;
- b. A quorum is two unaffected members of the Committee, one of whom must be the Chairman or the Senior Independent Director unless precluded by a conflict of interest;
- c. The Chairman of the Committee is the Chairman of the Board, unless the Committee is choosing his successor, in which case the Senior Independent Director will chair the Committee, and is responsible for reporting to the Board on the Committee's activities;
- d. The Committee may invite any individual, whether internal or external, to attend all or part of any meeting in whatever capacity as the Chairman of the Committee deems appropriate;
- e. The Chairman or Committee members may convene additional meetings at any time to deal with matters within the remit of the Committee; and
- f. The Group Company Secretary, or his nominee, is the Secretary of the Committee and will minute the proceedings and retain copies of the papers.

#### 4. Duties

The Committee is authorised to investigate any matter within its remit, seek any information from any of the Group's Directors and/or employees which is necessary to enable it to satisfactorily discharge its duties and make recommendations to the Board where action or improvement is needed.

The Committee is responsible for:

##### i) Board and Senior Management

- a. keeping under review the leadership needs of the Group and ensuring suitable succession plans are in place for the Board and other senior executives;
- b. reviewing the size, structure and composition of the Board, including knowledge, experience and diversity, and making recommendations to the Board with regard to any changes, including the annual re-election of Directors by shareholders;
- c. developing, where appropriate, and periodically reviewing any objectives established for the implementation of diversity on the Board and monitor progress toward the achievements of those objectives;
- d. advising the Board on any matters relating to the continuation in office of any Director, including the suspension or termination of service of an Executive Director;
- e. reviewing the composition of the Board's principal committees and recommending to the Board the appointment or removal of any members of those committees in consultation with the chairmen of those committees;
- f. reviewing and providing confirmation to the Group Audit Committee that, to the best of the Committee's belief, the disclosures made on their activities in the Annual Report are fair, balanced and understandable;

##### ii) Appointment of Directors

- a. identifying and nominating candidates, based on merit and against objective criteria, for approval by the Board to fill any Board vacancies;
- b. in respect of an Executive Director proposed for the Board, consult with the Group Chief Executive (except in the context of the appointment of a new Group Chief Executive where the Chairman will determine whether or not to consult with the incumbent Group Chief Executive);
- c. prior to making appointments, evaluating the balance of knowledge, competence, experience and diversity on the Board and preparing a description of the role and capabilities for the appointment;

- d. preparing a role profile for the appointment of the Chairman, including an assessment of the time commitment, recognising in particular the need for availability in the event of crises;
- e. ensuring that on appointment, each Non-executive Director receives 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;

### iii) Non-executive Directors

- a. regularly reviewing the independence of the Non-executive Directors;
- b. annually reviewing the time required from a Non-executive Director to fulfil the obligations of the position and keeping under review the number of external directorships held by Non-executive Directors;
- c. recommending to the Board the re-appointment of any Non-executive Director at the conclusion of their specified term of office;
- d. recommending to the Board the appointment and reappointment of the Senior Independent Director;

### iv) Governance

- a. reviewing the governance arrangements for the material subsidiaries of the Group;
- b. recommending individuals to the boards of material subsidiaries for appointment as independent Chairs;
- c. carrying out an annual appraisal of each independent Chair, receiving input from the Chairman of the Board, the Group Chief Executive and the relevant Business Unit Chief Executive;
- d. receiving annual reports prepared by Chairs of material subsidiaries on the performance of relevant independent Non-executive Directors in material subsidiaries;
- e. undertaking an approval process on behalf of the Company as shareholder, to permit the continuing appointment of each independent Non-executive chair and director of the material subsidiaries;
- f. annually reviewing the terms of reference of the boards and Chairs of the material subsidiaries of the Group;
- g. reviewing the Group's governance framework;

### v) Conflicts of Interest

- a. reviewing the directorships and other positions held by:
  - i. any person being considered for appointment to the Board; or

- ii. any new appointments for existing Directors; considering whether these could impact the proposed Director's independence status or time commitment or give rise to an actual or potential conflict of interest;
- b. considering and authorising any actual or potential situational conflicts, on any terms considered appropriate by the Committee, arising from either new or existing appointments; and
- c. in the case of specially material conflicts, advising the Board on whether the conflict should be authorised and recommending any conditions which should be applied to the authorisation.

## **5. Governance**

The Committee will:

- a. ensure that the Chairman of the Committee is available to answer shareholder questions at general meetings;
- b. arrange for periodic reviews of its own performance and review its terms of reference, recommending any changes it considers necessary to the Board for approval; and
- c. take account of relevant corporate governance codes, statutory and regulatory obligations of the Company in fulfilling its duties.

## **6. Support**

The Committee will:

- a. have access to sufficient resources in order to carry out its duties;
- b. at the Company's expense and through the Group Company Secretary's office where applicable, be able to select, appoint and agree the terms of appointment of any advisers deemed appropriate by the Committee to provide advice to the Committee, including those used by management provided no conflict of interest arises, and invite such advisers to attend meetings to assist the Committee; and
- c. 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.