



Nominations and Governance Committee Terms of Reference

1. Membership

- 1.1 Members of the Nominations and Governance Committee (the "Committee") shall be appointed from time to time by the Board and shall consist of not less than three directors of whom the majority shall be non-executive directors.
- 1.2 The chairman of the Committee, who shall be either the Chairman of the Board or an independent non-executive director, shall be appointed from time to time by the Board. However, the Chairman of the Board may not act as chairman of the Committee when dealing with his own replacement. In the case of the temporary absence of the chairman, one of the Committee members nominated by the chairman or elected by the other members of the Committee, shall act as chairman of the Committee. Where at any meeting of the Committee an equal number of votes have been cast for and against any resolution, the Chairman of the Committee shall be entitled to a casting vote.
- 1.3 Members of the Committee shall be identified in the Company's annual report.
- 1.4 The quorum of the Committee shall be two members, both of whom should be independent non-executive directors.

2. Secretary

- 2.1 The secretary of the Committee shall be appointed from time to time by 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.
- 2.2 The secretary of the Committee shall ascertain at the beginning of each meeting if any conflict of interest exists and shall minute it accordingly.



3. Authority of the Committee

- 3.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

4. Frequency of Meetings

- 4.1 Meetings of the Committee shall be held as required, but shall be held not less than three times a year.

5. Duties and Responsibilities of the Committee

The Committee, giving full consideration to the principles of good governance and the Code of best practice contained in the UK Corporate Governance Code, shall on behalf of the Board:-

5.1 Board and Committee Membership, and Succession Planning

- 5.1.1 Regularly review the structure, size and composition of the Board, assessing the balance of skills, knowledge, experience, independence and diversity (including age, gender, social and ethnic backgrounds, and cognitive and personal strengths) on the Board in order for it to competently discharge its duties and, having regard to the strategic direction of the Group, make recommendations to the Board as to adjustments, measures and/or appropriate training and development that may be appropriate.
- 5.1.2 Consider the succession planning process for the identification of suitable candidates for appointment to the Board and to senior management, including to the level immediately below Executive Committee, having regard to the skills, knowledge, experience, independence and diversity required on the Board and at senior management level in the future.
- 5.1.3 As part of the ongoing succession planning process, assess whether or not the desired outcomes of the Company are being achieved, and amending the process as required.
- 5.1.4 Agree and implement procedures for the selection of new Board appointments.
- 5.1.5 Review candidate specifications and make recommendations to the Board on all proposed new appointments.



5.1.6 Make recommendations to the Board on the membership of the Board's Committees.

5.2 Board Performance

5.2.1 Develop and oversee the performance evaluation process for the Board, the Board Committees and directors individually, ensuring that the performance evaluation shall be externally facilitated at least every three years.

5.2.2 Review annually the time required from non-executive directors, and assess whether they are meeting that requirement (taking account of all aspects of the role including site visits and other non-meeting related aspects).

5.2.3 Make recommendations to the Board on any proposed re-election of an existing director retiring by way of rotation or otherwise at any annual general meeting of the Company, taking into consideration the evaluation of the retiring director's performance.

5.2.4 Consider the results of the Board performance evaluation process that relate to the composition of the Board, and oversee any remedial action required.

5.3 Director Independence

5.3.1 Assess and make recommendations to the Board in relation to, the independence of non-executive directors on appointment, and then annually and whenever any new interests or relationships are disclosed by a director.

5.4 Governance

5.4.1 Review and make appropriate recommendations to the Board on compliance with the requirements of s172 Companies Act 2006 including, inter alia, the identification of key stakeholders, engagement mechanisms and associated reporting.

5.4.2 Produce a report to be included in the Company's Annual Report which describes the work of the Committee and how it has discharged its responsibilities.

5.4.3 Review and, if thought fit, recommend to the Board for approval the Corporate Governance Statement for inclusion in the Annual Report.



- 5.4.4 Advise the Board on the Group's compliance with the UK Corporate Governance Code and other applicable governance requirements.
 - 5.4.5 Where departure from "comply or explain" standards is required or believed to be appropriate, the Committee will recommend to the Board the appropriate explanation to be communicated to shareholders in the Annual Report. Where this overlaps with the work of another Board Committee the proposed explanation will also be reviewed by the relevant Board Committee.
 - 5.4.6 With the assistance of the Group General Counsel and Group Company Secretary, advise the Board periodically with respect to significant developments in the law and practice of corporate governance.
 - 5.4.7 Make recommendations to the Board on all matters of corporate governance including any proposed changes to existing governance structures, practices or policies.
 - 5.4.8 Review and assess the Company's compliance with, and policies and processes relating to, the Senior Managers and Certification Regime and/or other relevant regulatory regime(s) to which the Company is required to comply.
 - 5.4.9 Assist the Board in its review, at least annually, of the gender, ethnic and social diversity of the Group's workforce and the Group's progress in achieving its diversity objectives.
 - 5.4.10 Review and approve (for recommendation to the Board where required) the content of key non-pay related workforce policies (including, but not limited to, those relating to social and environmental matters and conduct).
 - 5.4.11 Annually review the Company's directors' and officers' liability insurance.
- 5.5 Conflicts and Related Person Transactions
- 5.5.1 Review requests from directors for authorisation of situations of actual or potential conflict and make recommendations to the Board in relation to the authorisation of such situations, in accordance with the Company's articles of association.
 - 5.5.2 Regularly review any situations of actual or potential conflict that have been previously authorised by the Board, together with any updates, and make recommendations to the Board regarding whether the authorisation (and any conditions attached to such authorisation) remain appropriate.



5.5.3 Review and approve related person transactions and report these to the Board.

5.6 Social and Environmental Matters

5.6.1 Review and approve any corporate social responsibility statement issued by the Company or the Group, and more generally consider and make recommendations to the Board as it determines appropriate on social responsibility and environmental matters.

5.6.2 Oversee and receive reports at least annually on compliance with policies on corporate political contributions, the Company's significant lobbying priorities and expenditure relating to its principal trade associations.

5.6.3 Review the strategy, policies and practices with respect to corporate giving, the foundations or charities significantly supported and any other philanthropic programmes of the Company.

5.7 Conduct

5.7.1 Review and provide guidance on the Company's code of conduct.

5.7.2 Review and approve the Company's share dealing code and related policies.

5.8 Other

5.8.1 Investigate, and report and/or make recommendations regarding, any matter in any way connected with the matters which the Committee is to determine or on which it is to advise, or which is referred to the Committee by the Board.

6. Reporting Procedures

6.1 A note of the decisions of the Committee signed by the chairman of the Committee shall be a sufficient record and conclusive evidence of the validity of the Committee's decisions.

6.2 The Secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Board as appropriate.

6.3 The chairman of the Committee shall attend each AGM and shall be available to answer questions raised by shareholders at the AGM.



7. Procedural and Other Matters

- 7.1 The Committee will arrange for the periodic review of its own performance and at least annually review its terms of reference and recommend any changes it considers necessary to the Board for approval.
- 7.2 A Committee member will not participate in the review of his or her own performance.
- 7.3 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required.
- 7.4 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 7.5 The Committee may consult the Chairman of the Board and/or the Chief Executive about its proposals and may be assisted by external agencies.

Approved 24 January 2019