

Terms of Reference - Nomination Committee

1. Membership

- 1.1. The Committee shall comprise at least three directors. A majority of the members of the committee should be non-executive directors.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the HR Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3. Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.
- 1.4. The Committee Chairman shall be the Chairman of the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Group Chief Executive shall chair the Committee when it is dealing with the matter of succession to the chairmanship of the Board.

2. Secretary

- 2.1. The Company Secretary or their nominee shall act as the Secretary of the Committee.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two, both of whom shall be non-executive directors (unless the Committee is dealing with the succession to the chairmanship of the Board). A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Frequency of Meetings

- 4.1. The Committee shall meet at least twice a year and otherwise as required.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairman of the Committee.
- 5.2. 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 and any other person required to attend no later than five 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. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee.

7. Annual General Meeting

- 7.1. The Chairman of the Committee shall attend the Annual General Meeting prepared to answer member questions on the Committee's activities.

8. Duties

The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

The Committee shall:

- 8.1. regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- 8.2. give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future;
- 8.3. 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;
- 8.4. keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- 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. In identifying suitable candidates the Committee shall:
 - 8.6.1. use open advertising or the services of external advisers to facilitate the search;
 - 8.6.2. consider candidates from a wide range of backgrounds; and
 - 8.6.3. consider candidates on merit and 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;
- 8.7. for the appointment of a chairman, the committee should prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the board before

appointment and any changes to the chairman's commitments should be reported to the board as they arise.

- 8.8. 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.
- 8.9. review the results of the board performance evaluation process that relate to the composition of the board
- 8.10. review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and

The Committee shall also make recommendations to the Board concerning:

- 8.11. formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Group Chief Executive;
- 8.12. suitable candidates for the role of senior independent director;
- 8.13. membership of the Audit, Remuneration and With Profits committees, in consultation with the Chairmen of those committees;
- 8.14. the appointment and removal of the employer nominated Trustees of the Retirement Benefits Scheme;
- 8.14. 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 the knowledge, skills and experience required;
- 8.15. the re-election by members of any director under the 'retirement by rotation' provisions in the company's articles of association or in accordance with the Annotated UK Corporate Governance Code provisions having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
- 8.16. 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;
- 8.17. the appointment of any director to executive or other office.
- 8.18. The Committee shall:
 - 8.18.1. as part of the process for nominating candidates for appointment, obtain details of and review any interests the candidate may have which conflict or may conflict with the interests of the Company. The Committee shall consider whether, despite any such conflict, there are nevertheless grounds for recommending the candidate for appointment

and for the Board to authorise the relevant conflict. The Committee shall as part of any proposal to the Board for appointment of the relevant candidate explain these grounds and make recommendations as to the terms and conditions on which any authorisation of the conflict should be given by the Board.

8.18.2. in respect of each director, review any interests the director may have which conflict or may conflict with the interests of the company, as notified by individual directors from time to time.

8.18.3. review annually any authorisation of a conflict given by the Board in order to determine whether the authorisation given should stand on the terms and conditions on which it has been given or whether additional terms and conditions should be imposed or whether the authorisation should be revoked (subject to giving the relevant director notice of the proposed revocation).

8.18.4. In the case of the review of interests of, and authorisations given by the Board to, members of the Committee, the affected Director shall not participate in the review or in discussions or decisions of the Committee which relate to that Director.

8.19. The Committee shall interview the recommended candidate(s), along with other nominated candidates at the Committee's discretion, for the role of Regional Advisory Board Chairperson. The Committee shall recommend suitable candidates to the Board for approval.

9. Reporting Responsibilities

9.1. The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

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 a report to be included in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

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.

10.3. give due regard to laws and regulations and the provisions of the Annotated UK Corporate Governance Code.

10.4. arrange for periodic reviews of its own performance and, at least annually, review its 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.