

Nomination Committee

The Nomination Committee is appointed by the Board from the Non-Executive Directors of the Company and the Chief Executive Officer. The Chair of the Committee is Andrew Herbert.

The terms of reference of the Committee require at least two meetings per year. When specific issues or changes need to be addressed, such as the appointment of a new Board member, the Committee may meet on additional occasions. Please see the tables on page 71 for details of the Committee members in the year and the number of Committee meetings attended.

Responsibilities

The Nomination Committee's main responsibilities, as outlined in its terms of reference, are:

- Reviewing the size, structure, composition and independence of the Board and its Committees
- Identifying and nominating candidates to fill Board vacancies as the need arises
- Ensuring adequate succession planning is in place for Executive Directors, Non-Executive Directors and members of the senior management team
- Making recommendations to the Board on the appointment of new Executive and Non-Executive Directors and their reappointment following retirement by rotation
- Reviewing the results of the annual Board performance evaluation process.

The Committee Chair will not chair the Committee when it deals with the appointment of a successor to that role. The Committee shall review its terms of reference annually and may recommend to the Board any amendments. The terms of reference of the Committee are available on written request from the Company Secretary.

The Nomination Committee's role in composition, succession and evaluation of the Board is disclosed in the Corporate Governance Statement.

Boardroom diversity

The Committee is committed to ensuring that recruitment and promotion of individuals throughout the Group, including those at Board and senior management level, always considers relevant skills, experience, knowledge and ability without gender or ethnicity bias. All appointments are made on merit and suitability against objective selection criteria with consideration of, amongst other things, the benefits of diversity, including gender.

The Board has not established a specific diversity policy in respect of its membership but is cognisant of the benefits of a rich mix of backgrounds, experience and skills. The present Board is 20% female versus 80% male (one female and four males). The Board has not set any measurable objectives in respect of a diversity quota but appointments made to the Board in the past three years have demonstrated our inclusive approach, which the Nomination Committee expects to maintain for any and all future appointments.

 **Further disclosure of information in respect of diversity and equal opportunities policies for the Group is in the Sustainable and responsible business report on pages 34 and 35.**

Key issues and activities

This year saw significant changes to Board membership including a new Chair, a new CFO and a new Non-Executive Director.

Following the Strategic Review conducted during 2019 and the appointment of John Mills as CEO in October 2019, further changes to the Board were implemented as described in the Committee's report last year. Ian Tichias was appointed as CFO from 1 March 2020. Andrew Herbert was appointed Chair of the Board on 1 April 2020 and Alison Littlely was appointed as a Non-Executive Director on 1 May 2020. Margaret Rice-Jones, Senior Independent Director and former chair of the Remuneration Committee, stood down as planned on 30 June 2020 leaving the Board comprising two Executive and three independent Non-Executive Directors (see pages 56 and 57).

The Committee has reviewed and concluded that, in the initial period of implementation of the new business strategy, and in the face of stringent cost measures implemented elsewhere in the business, it is appropriate to maintain three rather than the previously four independent Non-Executive Board members. This position remains under review by the Committee to ensure the Board and its Committees maintain appropriate skills and experience and that the majority of the Board remains independent.

The Committee has considered organisational development and succession planning and, in association with the Remuneration Committee, has worked alongside executive management in reviewing senior management development. A number of senior appointments have been made during 2020 to strengthen the executive team as the Company rebuilds competencies appropriate to its new strategy.

Board appointments

The process adopted by the Committee in respect of any appointment to the Board is, firstly, to identify the specific skills and experience sought and then, secondly, to conduct a search to determine whether any external individuals known to the Committee or internal candidates would be suitable for the role. If no compelling candidates can be identified through this process then an external search consultancy is engaged. Even if a suitable internal candidate exists, an external mapping process may be used.

Members of the Committee and other Executive and Non-Executive Directors interview shortlisted candidates, as the Committee deems appropriate. Upon identifying a suitable candidate, the Chair of the Nomination Committee will recommend to the Board that the Company makes a formal offer of employment to the candidate.

In seeking a new Non-Executive Director during 2020, specifically with appropriate experience to take over the role of Chair of the Remuneration Committee, we engaged the services of external search firm Independent Search Partnership to identify appropriate candidates to fill this role. Independent Search Partnership have no other connection with the Group and are independent advisors. The recruitment process concluded in April 2020 with the announcement of Alison Littlely's appointment. Alison took over as Chair of the Remuneration Committee and Senior Independent Director on 1 July 2020 when Margaret Rice-Jones stood down from the Board.

As part of the recruitment process the Committee ensures appropriate disclosure of other demands on Directors' time. The Board of Directors' profiles disclose any external appointments on pages 56 and 57. No Executive Directors have a non-executive role, or other significant appointment. All Directors are required to submit themselves for reappointment every year at the AGM.

Review of the Nomination Committee's effectiveness

The Committee has reviewed and considered the effectiveness of its performance during the year. The review included the views of members of the Committee and of regular attendees at the various meetings (including the Executive Directors).

I am satisfied that the degree of rigour and challenge applied in performing the Committee's responsibilities is appropriate and effective.



Andrew Herbert

Chair of the Nomination Committee