

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 Committee met four times during 2022. 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 on the request of any member of the Committee. Please see the tables on page 78 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 the 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 consider relevant skills, experience, knowledge and ability without gender or ethnicity bias. Succession planning is performed and all appointments are made on merit and suitability against objective selection criteria with due consideration of, amongst other things, the benefits of diversity, including gender and ethnicity. Details of the workforce split by gender are set out on page 35.

The Board approved a Diversity Policy in respect of its membership in February 2023. It 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 four 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 35 and 36.

Key issues and activities

In 2021 and further to implementation of a new strategy and the good progress made on building an executive management team, the Nomination Committee recommended that the Board be strengthened and that the number of independent Non-Executive Directors be increased to four including the Chair. The process of recruitment was commenced during 2022 but, in support of other cost actions taken elsewhere in the business, the Committee took the decision to defer recruitment to the first quarter of 2023. This action is now in hand as the Board develops succession plans. In making any future appointment the Nomination Committee will consider both diversity and skills mix as a matter of course as we seek to further equip the Board in its role of overseeing future business growth and expansion.

The Committee has considered organisational development and succession planning, Board diversity, and, in association with the Remuneration Committee, has worked alongside executive management in reviewing senior management development.

The Committee has facilitated the review of the annual performance evaluations of the Board and its Committees. For further information with regards to the evaluation, see the Corporate Governance statement. As the Company is not a member of the FTSE 350, it is not required by the 2018 UK Corporate Governance Code to have regular externally facilitated Board evaluations, however the Committee will consider the use of an external evaluator for future annual performance evaluations.

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.

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 63. 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

27 March 2023