

# Tribal Group plc

## Terms of Reference for the Nominations Committee

These terms of reference acknowledge the principles set out in the UK Corporate Governance Code (the "Code") which provides that

"There should be a formal, rigorous and transparent procedure for the appointment of new directors to the board" and that "There should be a nomination committee which should lead the process for board appointments and make recommendations to the board".

### Terms of Reference to be Made Available

The Committee should make available these terms of reference, explaining its role and the authority delegated to it by the board of directors of the Company (the "Board"). The requirement to make this information available is met by making such information available on request and including these terms of reference.

## 1 Membership

- 1.1 The members of the Committee shall be appointed by the Board and shall consist of at least two members. A majority of members of the Committee shall be independent non-executive directors.
- 1.2 The Board shall appoint the chairman of the Committee who shall be either the chairman of the Board or an independent non-executive director. If the person chosen as chairman of the Committee is the chairman of the Board, then he/she should not chair the Committee when it is dealing with the appointment of a successor to the chairmanship of the Board.

## 2 Secretary

- 2.1 The Company Secretary or his or her nominee shall act as the Secretary of the Committee. The Secretary will keep a record of the membership of the Committee and of the dates of changes to the membership.

## 3 Meetings

- 3.1 **Frequency:** Meetings of the Committee shall be held as required, but not less than twice a year and at such other times as the Chairman of the Committee shall require. The Committee should consider whether it needs a meeting in advance of the Company's year end to prepare any required statements. The Committee should also consider organising meetings to maximise attendance, e.g. by time-tabling them to coincide with board meetings.
- 3.2 **Right to attend:** No one other than the Committee chairman and its members is entitled to be present at a meeting of the Committee but others (such as, the Chairman of the Board, the Chief Executive, head of human resources and external advisers) may attend for all or any part of the meeting at the invitation of the Committee.
- 3.3 **Quorum:** The quorum necessary for the transaction of business of the Committee shall be 2. 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.
- 3.4 **Chairman:** In the absence of the appointed chairman of the Committee, the remaining members present shall elect one of their number to chair the meeting. The chairman of the Committee shall have a casting vote on all matters in the event of an equality of votes.

- 3.5 **Minutes:** Minutes shall be prepared of the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and to the chairman of the Board and, once agreed, made available on request to other members of the Board, unless a conflict of interest exists.
- 3.6 **Voting:** Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee. If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly, has a personal interest, that member shall not be permitted to vote at the meeting.

#### 4 Annual General Meeting

- 4.1 The chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

#### 5 Duties

The Committee shall:

- 5.1 lead the process for Board appointments and make recommendations to the Board
- 5.2 annually evaluate the structure, size and composition (including the balance of skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes that may be deemed necessary
- 5.3 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
- 5.4 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates

Appointments:

- 5.5 before an appointment is made, evaluate the balance of skills, knowledge, independence and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment
- 5.6 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise. In identifying suitable candidates the Committee shall:
- 5.7 use open advertising or the services of external advisers to facilitate the search
- 5.8 consider candidates from a wide range of backgrounds
- 5.9 consider candidates on merit and against objective criteria, and with due regard for the benefits of diversity of the Board, including gender, taking care that appointees have enough time available to devote to the position
- 5.10 ensure that non-executive directors are appointed for specified terms subject to re-election and to statutory provisions relating to the removal of a director
- 5.11 ensure that any term beyond six years for a non-executive director be subject to a particularly rigorous review, and take into account the need for progressive refreshing of the Board
- 5.12 ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them and in terms of time commitment, committee

service and involvement outside Board meetings. Their other significant commitments should be considered before appointment. The letter of appointment containing the terms and conditions of appointment and a broad indication of the time requirements of the role for any non-executive director should be made available for inspection by any person at the Company's registered office during normal business hours and at the Company's annual general meeting (for 15 minutes prior to, and during, the meeting)

5.13 Consider the extent of the executive Directors positions with external organisations

Non-executives:

5.14 monitor the time commitment required from a non-executive director, keep under review their external positions and consider whether the non-executive directors are spending enough time to fulfil their duties

5.15 the re-appointment of any non-executive director at the conclusion of his or her specified term of office, having due regard to their performance and ability to contribute to the Board in the light of the balance of knowledge, skills and experience required

5.16 the re-election by shareholders of any director under the "retirement by rotation" provisions in the Company's articles of association, having due regard to their performance and ability to contribute to the Board in the light of the balance of knowledge, skills and experience required

5.17 any matters relating to the continuation in office as a director of any director at any time including the suspension or termination of service of an executive director as employee of the Company, subject to the provisions of law and their service contract

Board committee membership:

5.18 review the membership and chairmanship of the Audit and Remuneration Committees, in consultation with their chairmen

Succession planning:

5.19 plan for succession for both executive and non-executive directors (and in particular for the key roles of chairman, chief executive and Senior Independent Director) and to this end, in the course of its work, give full consideration to succession planning with regard to both Board and senior management appointments, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future

## 6 Reporting and disclosure:

6.1 the statement required to be included in a separate section of the annual report of the Company (i) describing the activities of the Committee and (ii) describing the process used in relation to Board appointments, and providing an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chairman or non-executive director

6.2 the statement required to be included in the annual report of the Company identifying the membership of the Committee, number of Committee meetings held and attendance of individual directors over the course of the year

6.3 make available its terms of reference explaining clearly its role and the authority delegated to it by the Board

6.4 Lead the annual corporate governance review, including an evaluation of the Company's comply or explain position with the Code;

- 6.5 Report on governance issues to shareholders through leading the governance and directors' report section of the annual report

## **7 Conflicts of Interest**

The Committee shall:

- 7.1 In respect of each director, review any interests the director may have which conflict or may conflict
- 7.2 Make recommendations to the Board as to whether any such conflict should be authorised and, if so, as to the terms and conditions on which any such authorisation should be given by the Board

## **8 Other**

- 8.1 The Committee shall, at least once a year, review its own performance, 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.

## **9 Authority**

- 9.1 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties, as well as to require the attendance at any of its meetings of any director or member of management. All employees are expected to co-operate with requests made by the Committee.
- 9.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference which includes authorisation to employ the services of search consultants.

## **10 Ultimate Decisions**

- 10.1 It is the job of the Committee to "lead the process for board appointments and make recommendations to the board". The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations it deems appropriate on any area within its remit. All evaluations, reviews and decisions of the Committee made in respect of appointments to the Board shall be referred to the Board and shall take effect only upon approval thereof by resolution of the Board in accordance with the Company's articles of association.

**Revised and adopted by the Board: 25 August 2017**