

DERWENT LONDON

TERMS OF REFERENCE

Nominations Committee

Members of the Nominations Committee:

Mark Breuer (Chair)
Claudia Arney
Lucinda Bell
Simon Fraser
Helen Gordon
Richard Dakin
Cilla Snowball

Nomination Committee: Terms of reference**1. Membership**

- 1.1 The Committee shall be made up of at least three members, all of whom shall, in the opinion of the Board, be independent Non-Executive Directors. All appointments to the Committee shall be made by the Board.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive and external advisors may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3 Appointments to the Committee shall be for a period of up to 3 years, which may be extended for two further three-year periods provided the Director still meets the criteria for membership of the Committee and continues to be independent. Any further term will be based on annual re-appointment.
- 1.4 The Board shall appoint the Committee Chair who should be either the Chairman of the Board or an independent non-executive Director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chairmanship.

2. Secretary

The Company Secretary or their nominee shall act as the secretary of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. Quorum

The quorum necessary for the transaction of business shall be two. A member may attend a meeting by telephone. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretion vested in or exercisable by the Committee.

4. Frequency of meeting

- 4.1 The Committee shall meet annually, and at such other times as the Chair of the Committee shall require.
- 4.2 The Committee may hold meetings by telephone or using any other method of electronic communication, and may take decisions without a meeting by unanimous written consent, when deemed necessary or desirable by the Chair of the Committee.

5. Notice of meeting

- 5.1 Meeting of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair.
- 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 working 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 meeting

- 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 the Committee meetings shall be circulated promptly to the Chair of the Committee and, once agreed, be made available to all other members of the Board, unless a conflict of interest exists.

7. Annual General Meeting

The Committee Chair shall attend the annual general meeting prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

The Committee shall:

- 8.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board compared to its current position and make recommendations to the Board with regards to any changes.
- 8.2 give full consideration to succession planning for Directors and other senior management in the course of its work, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the Board in the future.
- 8.3 be responsible for identifying and nominating for the approval of the Board candidates to fill Board vacancies as and when they arise.
- 8.4 before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and the capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
- 8.4.1 use the services of external advisors to facilitate the search or, where appropriate, open advertising,
- 8.4.2 consider candidates from a wide range of backgrounds,

- 8.4.3 consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- 8.5 for the appointment of Chairman of the Board, 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 commitment should be reported to the Board as they arise;
- 8.6 prior to the appointment of a Director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 8.7 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;
- 8.8 keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- 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 evaluations should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties;
- 8.11 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.
- 8.12 The Committee shall also make recommendations to the Board concerning:
 - 8.12.1 formulating plans for succession for both executive and non-executive Directors and in particular for the key roles of Chairman and Chief Executive;
 - 8.12.2 suitable candidates for the role of senior independent Director;
 - 8.12.3 membership of the Board Committees, in consultation with the Chairs of those Committees;
 - 8.12.4 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;

- 8.12.5 the re-election by shareholders of any Director under the annual re-election provisions of the UK Corporate Governance Code or the retirement by rotation provisions in the company's articles of association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills, 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);
- 8.12.6 any matters relating to the continuation in office of any Directors 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;
- 8.12.7 the appointment of any Director to executive or other office.

9. Reporting responsibilities

- 9.1 The Committee Chair shall report formally 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 make a statement 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

The Committee shall:

- 10.1 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 considered necessary to the Board for approval;
- 10.2 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 10.3 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;
- 10.4 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate.

11. Authority

The Committee is authorised by the Board to:

- 11.1 undertake any activity within its terms of reference;
- 11.2 have unrestricted access to the Company's documents and information, including on request any information from any employee/ Director/ contractor/ consultant (or other external advisers or provider of services, including consultants, legal advisers or tax advisers) of the Company, at the Company's expense, in order to perform its duties;
- 11.3 request the attendance of any employee, contactor, consultant, or other external provider of services or advice to the Company, at a meeting of the Committee, as and when required.