



**Volution Group plc**

**(the “Company”)**

**NOMINATION COMMITTEE TERMS OF REFERENCE**

**1. Membership**

- 1.1 The nomination committee (the “**Committee**”) shall comprise at least three directors.
- 1.2 In order to comply with the UK Corporate Governance Code (the “**Code**”), a majority of the members of the Committee shall be independent non-executive directors. If the board of directors (the “**Board**”) decides that a member of the Committee is no longer independent and as a result a majority of the members of the Committee are not independent non-executive directors, the Board will determine whether or not that member will cease to be a member of the Committee.
- 1.3 All appointments to the Committee shall be made by the Board and shall be for a period of up to three years, which may be extended for two further three-year periods provided that the director still meets the criteria for membership of the Committee.
- 1.4 Only members of the Committee have the right to attend Committee meetings, but the Committee may invite others, including the chief executive officer, the head of human resources and external advisers, to attend all or part of any meeting if it thinks it is appropriate or necessary or pursuant to the terms of any agreement with shareholders.
- 1.5 The Board shall appoint the chair of the Committee who should be either the chair of the Board or an independent non-executive director in order to comply with the Code (the “**Chair**”). In the absence of the Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the relevant meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.
- 1.6 The chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairship of the Board.

**2. Procedures for appointing directors**

***Non-executive directors***

- 2.1 When the Company decides to appoint a non-executive director, the Chair will submit a short-list of candidates to members of the Committee and the chief executive officer (and other directors, if appropriate) for their comments and to enable them to suggest other candidates.
- 2.2 The Committee may also engage a reputable firm of search consultants to recommend candidates.

- 2.3 The Committee will then review the short-list of candidates and make any appropriate changes.
- 2.4 The Chair, one other Committee member and the chief executive officer will meet short-listed candidates selected by the Committee. If the Chair wishes to proceed with the selection process, the candidate(s) will then be invited to meet the Committee.
- 2.5 The Committee will decide whether to recommend a candidate to the Board for appointment.

***Executive directors***

- 2.6 When the Company decides to appoint an executive director, the Chair and the chief executive officer will submit a short-list of one or more candidates to the Committee.
- 2.7 The Committee, the chair of the Board or the chief executive officer may also engage a reputable firm of search consultants to recommend candidates.
- 2.8 Some or all of the Committee's members will meet the candidate(s) selected for interview.
- 2.9 The Committee's assessments will be reviewed with the chair of the Board and the chief executive officer, following which a candidate may be recommended to the Board for appointment.

**3. Secretary**

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

**4. Quorum**

- 4.1 The quorum necessary for the transaction of business shall be two members, both of whom must be non-executive directors.
- 4.2 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.
- 4.3 The members of the Committee may meet for the dispatch of business, adjourn and otherwise regulate meetings as they think fit. Without prejudice to the foregoing, all or any of the members of the Committee may participate in a meeting of the Committee by means of telephone conference or any communication equipment which allows all persons participating in the meeting to hear each other. A member of the Committee so participating shall be deemed to be present in person at the meeting and shall be entitled to fully participate and be counted in the quorum accordingly.

**5. Frequency of meetings**

The Committee shall meet at least once a year and as required and at such other times as the Chair shall determine.

**6. Notice of meetings**

- 6.1 Meetings of the Committee shall be called by the Secretary at the request of the Chair.

6.2 Unless otherwise agreed by the majority of the Committee, and except where a situation of urgency otherwise requires, wherever practicable, notice of each meeting confirming the venue, time and date (and dial-in-details if required), together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, as soon as possible, and in any event no later than five working days before the date of the meeting. Supporting papers shall, wherever practicable, be sent to Committee members and to other attendees as appropriate, at the same time.

6.3 Papers required by the Committee may be provided electronically.

## **7. Minutes of meetings**

7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

7.2 The Secretary must ascertain, at the beginning of each meeting, whether any conflicts of interest exist and, if so, minute them accordingly.

7.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and the chair of the Board and, once approved to all other members of the Board, unless in the opinion of the Chair it would be inappropriate to do so.

## **8. Annual general meeting**

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

## **9. Duties**

9.1 The Committee should carry out the duties below for the Company and its subsidiary undertakings (the "**Group**") as a whole, as appropriate.

9.2 The Committee shall:

- (a) regularly review the structure, size and composition of the Board (including its skills, knowledge, experience and diversity, including gender) and make recommendations to the Board with regard to any changes;
- (b) 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 its Group, and what skills and expertise are therefore needed on the Board in the future;
- (c) keep the executive and non-executive leadership needs of the Company and its Group under review, with a view to ensuring it continues to compete effectively in the marketplace;
- (d) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;

- (e) 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:
  - (i) use open advertising or the services of external advisers to facilitate the search;
  - (ii) consider candidates from a wide range of backgrounds; and
  - (iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender and ethnicity, taking care that appointees have enough time available to devote to the position;
- (f) keep under review the leadership needs of the organisation, both executive and non-executive, overseeing the development of a diverse pipeline for succession, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- (g) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (h) for the appointment of a chair of the Board, the Committee should prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises. A proposed chair's other significant commitments should be disclosed to the Board before appointment and any changes to the chair's commitments should be reported to the Board as they arise;
- (i) 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, with the interests of the Company;
- (j) review the results of the Board performance evaluation process that relate to the composition of the Board;
- (k) review annually the time required from non-executive directors to spend on the Company's affairs and whether each non-executive director is devoting enough time to their duties;
- (l) work and liaise as necessary with all other committees of the Board; and
- (m) 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, service on committees of the Board and other involvement outside Board meetings.

9.3 The Committee shall also make recommendations to the Board concerning:

- (a) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chair of the Board and chief executive officer;
- (b) suitable candidates for the role of senior independent non-executive director;

- (c) membership of the audit and remuneration committees, and any other committees of the Board as appropriate, in consultation with the chairmen of those committees;
- (d) the chair of the Board, taking into account the UK Corporate Governance Code provision that the chair should be independent on appointment and should not remain in post beyond nine years from the date of their first appointment (but recognising that this period can be extended for a limited time to facilitate effective succession planning, particularly where the chair was an existing non-executive director on appointment);
- (e) 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. Any re-appointment of a non-executive director beyond a term of nine years should be considered with additional scrutiny of the above in accordance with the UK Corporate Governance Code;
- (f) consider the directors who are to retire by rotation at the next annual general meeting in good time to enable any recommendations of the Committee to be included in the notice of the annual general meeting;
- (g) the re-election by shareholders of directors under the re-election provisions of the 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 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);
- (h) 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; and
- (i) the appointment of any director to executive or other office.

## **10. Reporting responsibilities**

- 10.1 The Chair shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall produce a report to be included in the Company's annual report about its activities including (i) the process used to make appointments, its approach to succession planning and how both support developing a diverse succession pipeline, explaining if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company.
- 10.4 The report referred to in 10.3 above should include a statement of the Board's policy on diversity and inclusion, including gender and ethnicity, and linkage to Company strategy, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.
- 10.5 The gender balance of those in senior management and their direct reports.

**11. Other**

11.1 The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat and any employees of the Group for assistance as required on all Committee matters;
- (b) 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;
- (c) give due consideration to laws and regulations, the provisions of the Code, the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules, and any other applicable rules, as appropriate;
- (d) at least once a year, arrange for periodic reviews of 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;
- (e) oversee any investigation of activities which are within its terms of reference; and
- (f) work and liaise as necessary with all other committees of the Board.

**12. Authority**

12.1 The Board authorises the Committee to:

- (a) undertake any activity within its terms of reference;
- (b) seek any information it requires from any Group employee or contractor that it requires to perform its duties;
- (c) obtain external legal or other professional advice (including advice from external employment search agencies) on any matters within its terms of reference and to invite persons giving such advice to attend Committee meetings. The cost of obtaining any advice shall be paid by the Company within its limits as authorised by the directors of the Company from time to time;
- (d) call any Group employee or contractor to be questioned at a Committee meeting, as and when required; and
- (e) delegate any of its powers to one or more of its members or the Secretary.

**13. Approval**

13.1 These terms of reference were approved by the Board on 9 September 2021.

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