



## **FULLER, SMITH & TURNER P.L.C.**

### **TERMS OF REFERENCE FOR THE NOMINATIONS COMMITTEE** **As adopted by the Board on 11 November 2024**

#### **1. CONSTITUTION**

- 1.1 The nomination committee (**Committee**) is a duly constituted Committee of the Board of directors (**Board**) of Fuller, Smith & Turner P.L.C. (**Company**) in accordance with the articles of association of the Company.
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

#### **2. ROLE**

The role of the Committee is to:

- 2.1 Ensure that there is a formal, rigorous and transparent procedure for appointments to the Board .
- 2.2 Lead the process for appointments and make recommendations to the Board.
- 2.3 Assist the Board in ensuring its composition is regularly reviewed and refreshed, taking into account the length of service of the Board as a whole, so that it is effective and able to operate in the best interests of shareholders.
- 2.4 Ensure plans are in place for orderly succession to positions on the Board and as regards Members of the Executive Committee and Divisional Directors, including the Company Secretary (**senior management**).
- 2.5 Oversee the development of a diverse pipeline for succession.
- 2.6 Work and liaise with other Board committees, as appropriate (including the remuneration committee in respect of any remuneration package to be offered to any new appointee of the Board or senior management) and ensure that the interaction between committees and between the Committee and the Board is reviewed regularly.

### **3. DUTIES**

The Committee shall carry out the following duties for the Company and advise the Board appropriately:

#### **3.1 Composition of the Board and senior management**

- (a) Regularly review the structure, size and composition (including the skills, experience, independence, knowledge and diversity) of the Board and its committees, taking account of the Company's strategic priorities and the matters affecting the Company in paragraph 3.1(c), and make recommendations to the Board with regard to any changes that are deemed necessary.
- (b) Keep under review the leadership needs of the organisation, relating both to the Board and senior management, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- (c) Keep up to date and fully informed about the strategic and commercial issues and priorities and main trends and factors affecting the long-term success and future viability of the Company and the market in which it operates.
- (d) In supporting the Board's commitment to diversity and inclusion at both the Board level and across the business, keep under review the development of the Company's policy and initiatives on diversity and inclusion.
- (e) Consider the disclosure requirements and the Company's approach to collecting numerical data regarding ethnic background, gender identity and sex at the Board and Executive Committee level in accordance with regulatory requirements and best practice.

#### **3.2 Succession planning**

- (a) In the course of its work, ensure plans are in place for orderly succession to both the Board and senior management positions, based on merit and objective criteria and taking into account the challenges and opportunities facing the Company, the skills, experience, independence, knowledge and diversity needed on the Board in the future, the length of service of the Board as a whole and the need for its membership to be regularly refreshed.
- (b) Satisfy itself that plans are in place for orderly succession for appointments to the Board and senior management.
- (c) Oversee the development of a diverse pipeline for succession, which should be based on merit and, within this context, promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

#### **3.3 Appointments to the Board**

- (a) Be responsible for identifying and nominating for the Board's approval, candidates to fill board vacancies as and when they arise.

- (b) Consider proposals for the reappointment or promotion of Directors and also any proposal for their dismissal, retirement, non-reappointment or any substantial change in their duties or responsibilities or the term of their appointment.
- (c) Before the Board makes any appointment, evaluate the balance of skills, experience, independence, knowledge and diversity on the Board, and the future challenges affecting the Company, and, in light of this evaluation, prepare a description of the role and capabilities and time commitment required for a particular appointment and set the process to identify, sift and interview suitable candidates. In identifying suitable candidates, the Committee shall:
  - (i) Use such methods as it deems appropriate, including the use of open advertising or the services of external advisers to facilitate the search.
  - (ii) Consider candidates from diverse backgrounds.
  - (iii) Consider candidates on merit, against objective criteria and with due regard for promoting the benefits of diversity on the Board, including of gender, social and ethnic backgrounds, and cognitive and personal strengths, taking care that appointees have enough time available to devote to the position.
- (d) for the appointment of a chair, prepare a job specification, including the time commitment expected.
- (e) Before appointment, require proposed appointees, to disclose other significant commitments to the Board indicating the time involved.
- (f) 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, involvement outside Board meetings and the induction process.
- (g) Keep under review the number of external appointments held by each director and ensure that any new additional external appointments are approved in advance by the Board before being accepted.

### **3.4 Induction and training**

- (a) In conjunction with the Chairman and the Company Secretary, ensure that all new directors undertake an appropriate induction programme to ensure that they are fully informed about the Company's main areas of business activity, including those involving significant risk, and the strategic priorities and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director.
- (b) Consider any training requirements for the Board as a whole.

### **3.5 Conflicts of interest**

- (a) Before appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future

business interests that could result in a conflict of interest, noting that such business interests must not be undertaken without prior approval by the Board.

- (b) Keep under review at least annually potential conflicts of interests of directors disclosed to the Company for reporting to the Board, and develop appropriate processes for managing such conflicts if the Committee considers this to be necessary.

### **3.6 Board performance review**

- (a) Assist the Chair of the Board and the senior independent director with the implementation of an annual performance review to assess the overall and individual performance and effectiveness of the Board and its committees, including consideration of balance of skills, experience, independence and knowledge of the Company, its diversity, how the Board works together as a unit, and other factors relevant to the Board's effectiveness.
- (b) Review the results of the Board performance review process that relate to the composition of the Board and succession planning, its diversity and how effectively the members of the Board work together to achieve objectives.
- (c) Review the results of the performance review of the Committee; and
- (d) Review annually the time required from non-executive directors, including the senior independent director. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.

## **4. BOARD RECOMMENDATIONS**

The Committee shall make recommendations to the Board, as appropriate, on the following:

### **4.1 Nominations and succession planning**

- (a) Proposed changes to the succession planning process if the Committee's periodic assessment of the process indicates that the desired outcome has not been achieved.
- (b) The appointment of suitable candidates as new directors.
- (c) The appointment of any director to executive or other office other than to the positions of Chair and Chief Executive, the recommendation for which is to be considered at a meeting of the full Board.
- (d) Suitable non-executive directors for the role of senior independent director.
- (e) Membership and chairship of the audit and risk, and remuneration committees, and any other Board committees, as appropriate, in consultation with the chair of those committees.
- (f) Formulating succession plans for both executive and non-executive directors and in particular the role of Chief Executive.

## **4.2 Re-appointment of directors**

- (a) 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 and the Company's long-term sustainable success, in the light of the knowledge, skills and experience required and the length of service of the Board as a whole and its membership being regularly refreshed.
- (b) Retirement by rotation provisions in the articles of association, having regard to their performance, ability and commitment to the role and their contribution to the Company's long-term sustainable success in the light of the knowledge, skills and experience required and the length of service of the Board as a whole and its membership being regularly refreshed.

## **4.3 Continuation of office**

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.

## **5. MEMBERSHIP**

- 5.1 The Committee shall comprise a minimum of two members and the Board Chairman, a majority of whom shall be independent non-executive directors, as determined by the Board (in accordance with the Code).
- 5.2 The Board shall appoint members of the Committee, on the recommendation of the Committee, in consultation with the Committee Chair.
- 5.3 The Chair of the Board will be the Chair of the Committee. In the absence of the Committee Chair or an appointed deputy, the remaining members present at the meeting shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Board shall not chair the Committee when the Committee is dealing with the appointment of his or her own successor.
- 5.4 The Committee Chair shall review membership of the Committee annually, as part of the annual performance review of the Committee.
- 5.5 The Company Secretary, or their nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

## **6. ATTENDANCE AT MEETINGS**

- 6.1 The Committee shall meet at least once a year to consider whether or not directors should be put forward for re-appointment at the next annual general meeting and otherwise as required or as may be requested by any member of the Committee.
- 6.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the People Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 6.3 Meetings of the Committee may be conducted when the members are physically present together or by video or audio conference which allows those participating to hear and speak to each other.

## **7. NOTICE OF MEETINGS**

- 7.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any member of the Committee.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee and to other attendees as appropriate, no later than five working days before the date of the meeting (or at shorter notice with approval of the Committee Chair).

## **8. QUORUM**

- 8.1 The quorum necessary for the transaction of business shall be two members.
- 8.2 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.

## **9. VOTING ARRANGEMENTS**

- 9.1 Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person or by audio or video conference).
- 9.2 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 9.3 Except where they have a personal interest, the Committee Chair shall have a casting vote.

## **10. MINUTES OF MEETINGS**

- 10.1 The secretary of the Committee (or their nominee) shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance. The secretary of the Committee shall also ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 10.2 Draft minutes of Committee meetings shall be circulated promptly to all Committee members. Once approved, minutes shall be circulated to all other Board members unless in the opinion of the Committee Chair it would be inappropriate to do so.
- 10.3 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

## **11. ENGAGEMENT WITH SHAREHOLDERS**

The Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **12. ANNUAL GENERAL MEETING**

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

## **13. REPORTING RESPONSIBILITIES**

- 13.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 13.2 The Committee shall:
  - (a) Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
  - (b) Produce a report to be included in the Company's annual report including any matters required by the Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority and describing its work, including:
    - (i) Its activities, the membership of the Committee, number of meetings and attendance over the course of the year.
    - (ii) The process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline.
    - (iii) Identifying in the annual report any external search consultancy that has been engaged, together with a statement about any other connection it has with the Company or individual directors.

- (iv) How the Board performance review has been conducted, the nature and extent of an external evaluator's contact with the Board and individual directors, the outcomes and actions taken, and how it has or will influence on Board composition.
  - (v) Identifying in the annual report any external evaluator engaged together with a statement about any other connection it has with the Company or individual directors.
  - (vi) A description of the Board's policy on diversity and inclusion.
  - (vii) The gender balance of those in the Senior Management and their direct reports.
- (c) Ensure, through the Chair of the Board, that the Company maintains contact and the Committee Chair seeks engagement, as required, with the Company's major shareholders on significant matters related to the Committee's areas of responsibility.
  - (d) Make publicly available the Committee's terms of reference by placing them on the Company's website.

#### **14. GENERAL MATTERS**

The Committee shall:

- 14.1 Have access to sufficient resources to carry out its duties, including access to the Company Secretary for advice and assistance as required.
- 14.2 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. Any individual training is to be discussed and agreed with the Company Secretary.
- 14.3 Give due consideration to all relevant laws and regulations, in particular, the directors' duties in the Companies Act 2006, the provisions of the Code and associated guidance and the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority and any other applicable rules, as appropriate.
- 14.4 Arrange for periodic reviews of its own performance and, at least annually, review its 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.

#### **15. AUTHORITY**

The Board authorises the Committee to:

- 15.1 Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense,



appropriate independent legal or professional advice on any matter within its terms of reference as it considers necessary.

- 15.2 Seek any information it requires from any employee of the Company to perform its duties.
- 15.3 Have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.

**16. APPROVALS HISTORY**

<b>Date</b>	<b>Approved by</b>	<b>Details</b>
20 January 2023	Board	Annual review
11 November 2024	Board	Annual review – minor amendments