

Ei Group plc

Terms of Reference – Nomination Committee

Reference to the ‘Company’ shall mean Ei Group plc.

Reference to the ‘Committee’ shall mean The Nomination Committee.

Reference to the ‘Board’ shall mean The Board of Directors.

Reference to the ‘Code’ shall mean UK Corporate Governance Code dated April 2016 and or July 2018 as appropriate

1. Membership

- 1.1 The Committee shall be appointed by the Board and shall comprise of a Chairman and at least 2 other members.
- 1.2 A majority of members of the Committee shall be independent non-executive directors.
- 1.3 The Board shall appoint the Committee Chairman who should either be the Chairman of The Board or an independent non-executive director. The Chairman of the Board shall not chair the Committee when it is dealing with matters of succession to the chairmanship.
- 1.4 If a regular member is unable to act due to absence, illness or any other cause, the Chairman of the committee may appoint another director of the company to serve as an alternate member having due regard to maintaining the required balance of executive and independent non-executive members.
- 1.5 Care should be taken to minimize the risk of any conflict of interest that might be seen to give rise to an unacceptable influence.
- 1.6 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year period provided that a majority of the members remain independent.

2. Secretary

- 2.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.
- 2.2 The Secretary of the Committee shall maintain a record of the members of the Committee who shall be named in the Company’s annual report.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be 2 both of whom must be independent non-executive directors. 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 discretion’s vested in or exercisable by the Committee.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least twice a year and at such other times, as the Chairman of the Committee shall require.

5. Notice of Meetings

- 5.1 Meetings of The Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.

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 no fewer than 5 working days prior to the date of the meeting. Supporting papers shall be sent to the Committee members and other attendees as appropriate, at the same time.

6. Minutes of meetings

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 Committee meetings shall be circulated to all members of the Committee and to the Chairman of the Board and made available on request to other members of the Board, unless a conflict of interest exists.

7. Annual General Meeting

7.1 The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

8.1 The Committee shall having due regard to the principles and provisions set out in the Code and the Company's articles of association:

8.1.1 regularly review the structure, size and composition (including the skills, knowledge, diversity and experience) required of the Board and its ongoing composition and make recommendations to the Board with regard to any adjustments that are deemed necessary;

8.1.2 formulate plans for succession for both executive and non-executive directors and in particular the roles of Chairman of the Board and Chief Executive Officer;

8.1.3 having evaluated the balance of skills required and before any appointment is made prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee may;

8.1.3.1 use advertising or the services of external advisors to facilitate the search

8.1.3.2 consider candidates from a wide range of backgrounds and

8.1.3.3 consider candidates on merit using objective criteria

8.1.4 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;

8.1.5 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 what skills are needed on the Board in the future to enable the Company to compete effectively in the marketplace;

8.1.6 assess and articulate the time needed to fulfil the role of Chairman, senior independent director and non-executive director, and undertaken annual performance evaluation to ensure that the all members of the Board have devoted sufficient time to their duties;

8.1.7 ensure on appointment that a candidate has sufficient time to undertake the role and review his commitments; and

8.1.8 ensure that the Secretary on behalf of the Board has formally written to any appointees, detailing the role and time commitments and proposing an induction plan produced in conjunction with the Chairman.

8.2 It shall also make recommendations to the Board:

- 8.2.1 with regard to the Chairman having assessed every three years whether the present incumbent shall continue in post, taking into account the needs of continuity versus freshness of approach;
- 8.2.2 as regard the re-appointment of any non-executive director at the conclusion of his or her specified term of office; especially when they have concluded their second three year term;
- 8.2.3 concerning 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 continue to contribute to the Board in light the knowledge, skills and experience required;
- 8.2.4 concerning 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, subject to the provisions of the law and their service contracts;
- 8.2.5 concerning the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive Officer, the recommendation for which would be considered at a meeting of:
 - 8.2.5.1 all the non-executive directors regarding the position of Chief Executive Officer;
 - 8.2.5.2 all the directors regarding the position of Chairman;
- 8.2.6 detailing items that should be published in the Company's Annual Report relating to the activities of the Committee; and
- 8.2.7 with regard to membership and chairmanship of the Audit and Remuneration Committees, in consultation with the Chairman of those Committee's.
- 8.2.8 with regard to suitable candidates for the role of senior independent director

9. Authority

- 9.1 The Committee is authorised to seek any information it required from any employee of the Company in order to perform its duties.
- 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.

10. Reporting

- 10.1 The Committee Chairman shall formally report to the Board on its 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 of remit where action or improvement is needed.
- 10.3 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

11. Performance Evaluation

- 11.1 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.

12. Availability of Terms of Reference

12. 1 The terms of reference of the Committee will be included on the Company website and will be made available to members on request.

September 2018