

## Nomination Committee – Terms of reference

MEMBERS:-	Mr R Moyle (Executive Chairman of the Group and committee) Mr I Elliott (Senior non-executive director) Mr D Rogers (non-executive director) Mr M Holt (non-executive director) Ms M Amos (non-executive director) Mr J Homer (Chief Executive)
PRESENT:-	Mr D Taylor (Secretary and present as required at meetings / not a member)

### **Nomination Committee - Terms of Reference**

The Nomination Committee is a Committee of the Board of Directors of North Midland Construction PLC (the Board), from which it derives its authority. The principal role of the Nomination Committee is to consider, and recommend for approval to the Board, the appointment of suitable people as directors of the PLC Board and to lead the process for such appointments.

#### **Membership**

Members of the Committee shall be appointed by the Board, on the recommendation of the Chairman of the Nomination Committee. The Committee shall be made up of at least three members, two of whom shall be independent non-executive directors, and the Chairman of the company.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Finance Director and external advisers may be invited to attend for all or part of any meeting as and when appropriate.

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 majority of the Committee members remain independent and the new appointment meets the criteria for membership of the Committee.

The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair that meeting.

#### **Secretary**

The Company Secretary or their nominee shall act as Secretary of the Committee.

#### **Quorum**

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

#### **Meetings**

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

### **Notice of meetings**

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, any other person required to attend and all other non-executive directors before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

### **Minutes of meetings**

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

### **Annual general meetings**

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

### **Duties**

The main duties of the Committee include but are not limited to the following:

- Lead the process for Board appointments and make recommendations to the Board;
- Consider succession planning at senior levels within the Group and ensure an appropriate balance of skills and experience;
- Evaluate the balance of skills, experience, independence and knowledge of the Board; and
- Consider diversity issues, ensuring consideration of candidates from a wide range of backgrounds.

### **Responsibility**

The Committee shall be responsible for:

1. Regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and make recommendations to the board with regard to any changes;
2. 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 the skills and expertise needed on the board in the future;
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;
4. Be responsible for identifying and nominating for approval of the board, candidates to fill board vacancies as and when they arise;
5. Before any appointment is made to the board, evaluate the balance of skills, knowledge and experience and diversity on the board, and, in light of this evaluation, prepare a description of the role

and capabilities required for a particular appointment. In identifying suitable candidates the committee shall;

6. Use open advertising or the services of external advisers to facilitate the search
7. Consider candidates on merit and against objective criteria with due regard to the benefits of diversity on the board, taking care that appointees have enough time available to devote to the position
8. For the appointment of a new Chairman, 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 commitments should be reported to the Board as they arise;
9. 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; and
10. Review annually the time required from non-executive directors.

The Committee shall also make recommendations to the board concerning:

1. Formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chairman and chief executive;
2. Suitable candidates for the role of senior independent director;
3. Membership of the audit and remuneration committees, and any other board committees as appropriate, in consultation with the chairman of those committees;
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 light of knowledge, skills and experience required;
5. The re-election by shareholders of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the company's articles of association;
6. Any matters relating to the continuation in office of any director at any time;
7. The appointment of any director to the PLC Board.

### **Reporting responsibilities**

The committee chairman shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.

The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is need.

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. 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

If required the committee shall produce a report to be included in the company's annual report.

The report referred to above should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and any progress in achieving its objectives.

### **Other**

The Committee shall:

Have access to sufficient resources in order to carry out its duties, including access to the company secretariat as required;

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;

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 for board approval.

### **Authority**

The Committee is authorised by the board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.

**ADOPTED BY THE BOARD ON 12 DECEMBER 2018**