

NOMINATION COMMITTEE TERMS OF REFERENCE

1. PURPOSE AND MANDATE OF THE COMMITTEE

- 1.1 The Committee has been established as a Committee of the Board of Directors. It shall be responsible for reviewing the structure, size and composition of the Board and for recommending changes thereto when required.
- 1.2 The Committee is furthermore responsible for recommending a succession plan for executive and non-executive directors. It is also responsible for identifying and nominating, for approval by the Board, candidates to fill Board vacancies or new positions as and when they arise.
- 1.3 The Committee is furthermore responsible for the evaluation of the skills, experience and knowledge of Board members.
- 1.4 These Terms of Reference are subject to the Company's bye laws and UK Corporate Governance Code.

2. COMPOSITION OF THE COMMITTEE

- 2.1 The Committee shall be appointed by the Board and shall comprise of at least three non-executive directors of the Board, a majority of which shall be independent. Appointments to the Committee shall be for a period of up to 3 years extendable by further periods of up to 3 years, so long as members continue to be independent. Only members of the Committee are entitled to attend meetings, however other directors, external advisors and senior managers may be invited to the meetings when required.
- 2.2 The Chairperson of the Committee shall be appointed by the Board and shall either be the Chairperson of the Board or an independent non-executive director. In absence of the Committee Chairperson, the remaining members present shall elect one of the Committee members to chair the meeting. The Chairperson of the Board shall not chair the meeting when it is dealing with the matter of succession to the chairmanship.

3. MEETINGS AND QUORUM

- 3.1 The Company Secretary or their nominee shall act as secretary of the Committee.
- 3.2 The Committee shall meet at least twice a year and at such other times as may be required. Notice of a meeting as well as the agenda and working papers shall be sent to the Committee at least 5 days prior to the meeting. Minutes of the meeting shall be distributed to the Members promptly after the meeting.
- 3.3 The quorum required for the transaction of business shall be two members, both of whom must be independent non-executive directors.

- 3.4 Should a meeting of the Committee not be quorate, the actions taken by the Committee in terms of the resolutions taken at such non-quorate meeting shall be ratified by the Board.
- 3.5 Committee members are expected to attend all scheduled meetings of the Committee, whether in person or via telephone/video conference. If absent, the submission of a prior apology to the Chairperson or Company Secretary is required.

4. AUTHORITY OF THE COMMITTEE

- 4.1 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.
- 4.2 The Committee is authorised by the Board to investigate any activity or state of affairs within its terms of reference.
- 4.3 The Committee is authorised to seek any information it requires from any employees or officers through any of the Company's executives. In seeking any advice or assistance from any of the Company's executives, the Committee should ensure that such role is clearly separated from the executive's role within the business.
- 4.4 The Committee is authorised to obtain, at the Company's expense, subject to any budgetary constraints imposed by the Board, expert advice from the Company's auditors, professional advisers or otherwise and to take independent professional advice and to require the attendance of outsiders with relevant experience and expertise if it considers it necessary.
- 4.5 The Committee is authorised to select, set the terms of reference and appoint consultants, at the Company's expense.
- 4.6 The Committee may delegate its authority as per the Petra Group Delegation of Authority Policy and Matrix, which is approved by the Board. The Matrix will be attached as an annexure to these terms of reference and will be updated as and when amendments are made to the Matrix through the necessary approval framework.

5. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

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

The Committee shall:

- 5.1.1 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 regard to any changes;

- 5.1.2 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 what skills and expertise are therefore needed on the Board in the future;
- 5.1.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- 5.1.4 review and advise on the appointment of senior executives who report directly to the chief executive officer;
- 5.1.5 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, taking care that appointees have enough time available to devote to the position;
- 5.1.6 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;
- 5.1.7 for the appointment of a Chairperson of the Board, the Committee should prepare a job specification, including the time commitment expected. A proposed Chairperson's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairperson's commitments should be reported to the Board as they arise;
- 5.1.8 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;
- 5.1.9 review the results of the Board performance evaluation process that relate to the composition of the Board;
- 5.1.10 review annually the time required from non-executive directors of the Company. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and
- 5.1.11 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.
- 5.1.12 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 chairman and chief executive officer;
- (b) suitable candidates for the role of senior independent director;
- (c) membership of the Audit and Risk and Remuneration Committees and any other Board committees as appropriate, in consultation with the chairpersons of those committees;
- (d) 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;
- (e) 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 bye-laws, 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);
- (f) 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
- (g) the appointment of any director to executive or other office.

6. REPORTING

- 6.1 The Committee chairperson shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required.
- 6.3 The Committee shall produce a report to be included in the Company's 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. The report 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 progress on achieving the objectives
- 6.4 The Chairperson should attend the AGM to answer any shareholder questions on the committee's activities.

7. OTHER

The Committee shall

- 7.1 arrange for periodic review of its own performance and, at least annually review its terms of reference to ensure its effectiveness and recommend any changes it considers necessary to the Board for approval;
- 7.2 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;
- 7.3 give due consideration to relevant laws and regulations, which may be applicable to its scope of work.

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