

**Clarkson PLC**  
**(the “Company”)**

**Terms of Reference: Nomination Committee**

As adopted by the Board on 26 January 2021

References to:

- “**Committee**” shall mean the Nomination Committee of Clarkson PLC
- “**Board**” shall mean the Board of Directors of Clarkson PLC
- “**Group**” shall mean the Company and its subsidiaries
- “**Senior Managers**” or “**Senior Management**” shall mean the first layer of management below the Board, including the Company Secretary

**1 Membership**

- 1.1 The Committee shall comprise at least three directors. A majority of the members of the Committee shall be independent non-executive directors, one of whom shall be the Senior Independent Director. All appointments to the Committee shall be made by the Board on the recommendation of the Committee.
- 1.2 The Board shall appoint the Committee Chair who should be either the Chair of the Board or an independent non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of their number 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 it is dealing with the matter of succession to the chairmanship. In such case, the Senior Independent Director shall chair meetings.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Group Human Resources Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary to fulfil the duties set out below. Attendees are not members of the Committee and may be collectively or individually requested to withdraw from meetings at the request of the Committee Chair.
- 1.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods and annually thereafter provided at such time that the director is independent.

**2 Secretary**

- 2.1 The Company Secretary or their nominee shall act as the secretary of the Committee (the “**Committee 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. Information and papers for each meeting shall also be made available to any director who is not a member of the Committee unless the Committee Chair

considers it would be inappropriate to do so.

### **3. Quorum**

- 3.1 The quorum necessary for the transaction of business shall be two, both of whom must be independent non-executive directors.
- 3.2 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. Frequency of Meetings**

- 4.1 The Committee shall meet at least twice a year or at such times as the Committee Chair shall require.

### **5 Notice of Meetings**

- 5.1 Meetings of the Committee shall be called by the Committee Secretary at the request of the Committee Chair or any of its members (in conjunction with the Committee Chair).
- 5.2 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 the approval of the Committee Chair).

### **6 Telephone Attendance**

- 6.1 The members of the Committee shall be deemed to meet together if they are in separate locations, but are linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other.

### **7 Minutes of Meetings**

- 7.1 The Committee Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The Committee Secretary shall also ascertain at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly.
- 7.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chair of the Board (if not a member) and, once agreed, to all other members of the Board, unless the Committee Chair considers that it would be inappropriate to do so.

### **8 Annual General Meeting**

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

## **9 Duties**

### **9.1 The Committee shall:**

- 9.1.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board and make recommendations to the Board with regard to any changes.
- 9.1.2 ensure plans are in place for orderly succession to both the Board and Senior Management. The Committee should oversee the development of a diverse pipeline for succession in the course of its work, taking into account the challenges and opportunities facing the Group, and the skills and expertise needed on the Board in the future.
- 9.1.3 keep under review the leadership needs of the organisation, both executive and non-executive, taking into account strategic issues and commercial changes affecting the Group and the market in which it operates, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- 9.1.4 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- 9.1.5 before undertaking any search to identify suitable candidates, 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:
  - 9.1.5.1 use open advertising or the services of external advisers to facilitate the search;
  - 9.1.5.2 have due regard to the balance of skills, knowledge, experience, independence and diversity on the Board;
  - 9.1.5.3 consider candidates from a wide range of backgrounds and gender; and
  - 9.1.5.4 consider candidates on merit, 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.
- 9.1.6 for the appointment of a Chair of the Board, prepare a job specification, including the time commitment expected. A proposed Chair's other 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.
- 9.1.7 ensure that, prior to the nomination of a director, the proposed appointee discloses any other business interests that may result in a conflict of interest, as well as any significant commitments (with an indication of the time

involved); the Board shall decide whether, if a conflict exists, it is manageable or not.

- 9.1.8 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.
  - 9.1.9 review annually the policy on diversity and inclusion for the Group as a whole, and recommend any changes to the Board as appropriate.
  - 9.1.10 provide the Board with guidance on the treatment of directors' conflicts and conduct an annual review of the Register of Directors' Conflicts.
  - 9.1.11 review annually the continued independence of each non-executive director in the context of re-election and re-appointment of directors.
  - 9.1.12 review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.
  - 9.1.13 oversee the process for the periodic evaluation of the effectiveness of the Board and its committees, review the outcome and recommend to the Board actions to address findings and then oversee the implementation of such actions.
  - 9.1.14 oversee the process for the annual evaluation of the performance of the non-executive directors.
  - 9.1.15 review and, if appropriate, agree any requests by the executive directors to hold external directorships.
  - 9.1.16 work and liaise as necessary with other Board committees.
- 9.2 The Committee shall also make recommendations to the Board concerning:
- 9.2.1 formulating plans for succession for both Board and Senior Management positions and in particular for the key roles of Chair of the Board and Chief Executive Officer.
  - 9.2.2 suitable candidates for the role of Senior Independent Director.
  - 9.2.3 membership of the Audit and Risk and Remuneration Committees, in consultation with the chairs of those committees. The Committee shall also make recommendations to the Board regarding chairmanship of the aforementioned committees.
  - 9.2.4 the policy on diversity and inclusion for the Group as a whole, and any changes as appropriate.
  - 9.2.5 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.

9.2.6 the re-election by shareholders of any director under the annual re-election provisions of the UK Corporate Governance Code (the “**Code**”) and 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 the progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years).

9.2.7 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.

9.2.8 the appointment of any director to executive or other office.

## **10 Reporting responsibilities**

10.1 The Committee Chair shall report formally 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 within its remit where action or improvement is needed.

10.3 The Committee shall produce a report to be included in the annual report about its activities including:

10.3.1 the process used in relation to appointments, the Committee’s approach to succession planning and how both support developing a diverse pipeline;

10.3.2 how the Board evaluation 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 Board composition;

10.3.3 the policy on diversity and inclusion for the Group as a whole, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives; and

10.3.4 the gender balance of those in Senior Management and their direct reports.

## **11 Other Matters**

The Committee shall:

11.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.

- 11.2 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.
- 11.3 be provided with appropriate and timely training, both in the form of an induction programme for new members (where considered necessary) and on an ongoing basis for all members.
- 11.4 give consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus Regulation Rules, Disclosure Guidance and Transparency Rules sourcebook, guidelines published by institutional shareholders and proxy advisers, and any other applicable rules, as appropriate.

## **12 Authority**

- 12.1 The Committee is a committee of the Board from which it derives its authority.
- 12.2 The Committee is authorised by the Board to seek any information it requires from any employee or director of the Group in order to perform its duties.
- 12.3 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.

## **13 Approvals History**

<b>Date</b>	<b>Approved by</b>	<b>Details</b>
7 March 2019	Clarkson PLC Board	Annual review and changes under the 2018 UK Corporate Governance Code
29 January 2020	Clarkson PLC Board	Annual review
26 January 2021	Clarkson PLC Board	Annual review