

NOMINATIONS & CORPORATE GOVERNANCE COMMITTEE

TERMS OF REFERENCE

(Approved by the Board on 12 December 2003
to take effect from 1 January 2004.
Last updated 6 May 2020)

Role

The Committee:

- reviews the structure, size and composition of the Board, the appointment of members to Board Committees and the appointment of Corporate Officers and makes recommendations to the Board as appropriate.
- plans and assesses orderly succession for Executive and Non-Executive directors.
- reviews management's Succession Plan to ensure its adequacy.
- is responsible for reporting to the Board, overseeing and monitoring corporate governance arrangements and for making recommendations to the Board to ensure the Company's standards and arrangements are consistent with existing corporate governance standards and emerging best practice.
- reviews the Company's conflicts of interest.

Membership

Chairman	Sir Jonathan Symonds
Members	Vindi Banga Lynn Elsenhans Judy Lewent Urs Rohner
In attendance	Chief Executive Officer Head of Human Resources
Secretary	Company Secretary

Constitution

1. The Board has established a Committee of the Board known as the Nominations & Corporate Governance Committee (the "Committee").

Membership

2. The Committee must comprise a minimum of three Directors a majority of whom should be independent Non-Executive Directors as determined by the Board (in accordance with the principles of the UK Corporate Governance Code). The members shall be appointed by the Board, in consultation with the Committee Chairman.

3. The Committee Chairman shall be appointed by the Board and must be either the Chairman of the Board or an independent Non-Executive Director. The Chairman of the Board shall not chair the Committee whilst it is dealing with the appointment of a successor to the chairmanship of the Board.
4. The Committee Chairman shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
5. The Committee Chairman and members of the Committee shall be identified in the Committee's Report to shareholders in the Annual Report.
6. All Non-Executive Directors will be invited to attend reviews of management's succession plans.

Quorum

7. The quorum shall be two members, both of whom must be independent Non-Executive Directors.
8. In the absence of the Committee Chairman or an appointed deputy, the remaining members present shall elect one of the members to chair the meeting who must be an independent Non-Executive Director.

Attendance at Meetings

9. The Chief Executive Officer, the Head of Human Resources and, where relevant, appropriate external advisers, may attend meetings of the Committee by invitation.

Committee Secretary

10. The Company Secretary shall be the Secretary to the Committee and shall be responsible for minuting the proceedings of all meetings of the Committee.

Frequency of Meetings

11. The Committee shall meet at least twice a year with other meetings held as required.

Annual General Meeting

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

Authority

13. The Committee is authorised to undertake such work as is necessary to make recommendations for approval by the Board and is authorised to seek any information it requires from any employee or the Company in order to perform its duties.
14. 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.

Duties

Nominations & Dismissals

- 14(a). During their tenure, each of the Committee members shall consider their duties and responsibilities under section 172 of the Companies Act 2006 in performing their role.
- 14(b). The Committee shall review the structure, size and composition (including the skills, knowledge, independence, experience and diversity) of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- 14(c). The Committee shall evaluate the balance of skills, knowledge and experience on the Board before an appointment is made and based on such evaluation shall prepare a description of the role, capabilities and time commitment required for a particular appointment.
- 14(d). The Committee shall keep under review the leadership needs of the Group, both executive and non-executive, with a view towards ensuring the continued ability of the organisation to compete effectively in the marketplace.
- 14(e). The Committee shall be responsible for identifying and nominating for the approval of the Board candidates to fill Board vacancies as and when they arise. In identifying suitable candidates for any appointment, the Committee shall use open advertising and/or external advisers to facilitate the search, will consider candidates from a wide range of backgrounds and must consider candidates on merit and against objective criteria, and with due regard to the benefits of diversity on the Board, including gender, social and ethnic backgrounds, and cognitive and personal strengths, and taking particular care to ensure that candidates have adequate time available to devote to the position.
- 14(f). The Committee shall also consider in respect of the Executive Directors and Corporate Officers:
- (i) proposals for their appointment, re-appointment or promotion (including the term of such appointment or re-appointment); and
 - (ii) any proposal for their dismissal or non-reappointment or any substantial change in their duties or responsibilities or the term of their appointment.
- 14(g). The Committee shall consider proposals for the appointment, re-appointment (including the term of such appointment) or retirement of the Chairman of the Board, Deputy Chairman, Senior Independent Non-Executive Director and other Non-Executive Directors, 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.
- 14(h). For the appointment of a Chairman, the Committee shall prepare a job specification, including the time commitment expected.
- 14(i). A proposed Director, including the Chairman, should disclose other significant commitments to the Board before appointment and any changes to the Director's commitments should be reported to the Board as they arise.
- 14(j). The Committee shall make recommendations concerning:
- (i) suitable candidates for the role of Senior Independent Director;
 - (ii) membership of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the chairman of those committees;
 - (iii) 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; and

- (iv) the appointment of any Director to executive or other office.

Succession Planning

- 15(a). The Committee shall review the management's Succession Plan to ensure its adequacy, taking into account the challenges and opportunities facing the Company, and accordingly what skills will be needed on the Board and for Corporate Officers in the future.
- 15(b). The Committee shall also review succession planning in the wider context of the Board and Corporate Officers as a whole, including associated risks, and it shall oversee the development of a diverse pipeline for succession, having regard to diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

Board Committee membership

- 16(a). The Committee shall recommend to the Board, after consultation with the respective Committee Chairmen, appointments to Board Committees as necessary.
- 16(b). For both existing members of the Board and potential new appointments, the Committee will take into consideration other non-executive and executive director positions held to ensure the individual is able to allocate sufficient time to the role in question.

Approval and Review of Situational Conflicts of Interest

17. The Committee shall consider and, if appropriate, authorise situational conflicts of interest of directors or potential directors. The Committee shall review the authorisations that have been given from time to time, but at least annually. In addition, the Committee shall review any authorisation that has been given in light of any change in circumstances of which it becomes aware that may affect such authorisations.
18. Prior to the appointment of a Director, the Committee shall ensure that the proposed appointee is 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.

Corporate Governance & Regulatory Developments

19. The Committee shall report to the Board, oversee and monitor any relevant corporate governance or regulatory developments and best practice that may impact the Company and recommend any action or changes it considers necessary to the Board for approval.
20. The Committee is responsible for reporting to the Board, overseeing and monitoring corporate governance arrangements and for making recommendations to the Board to ensure the Company's standards and arrangements are consistent with existing corporate governance standards and emerging best practice

Performance Appraisal, Review and Reporting Procedures

21. The Committee shall review at least annually 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.

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22. The Committee's Report on its activities to be included in the Company's Annual Report shall detail the process used to make appointments, approach to succession planning, and how both support the development of a diverse pipeline, and will 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.
 23. The Report referred to above should include a statement of the Board's policy on diversity and inclusion, any measurable objectives that it has set for implementing the policy, linkage to the Company's strategy and progress on achieving the objectives, as well as the gender balance of those in Senior Management and their direct reports.
 24. The Report will include 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 the Board composition.
 25. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

Resources and Training

26. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company's Secretariat for assistance as required.
27. The Committee shall 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.

Publication of Terms of Reference

28. These Terms of Reference shall be made available on the Company's website.