



# MARSTON'S

## MARSTON'S PLC

### Terms of reference for the Nomination Committee ("the Committee")

*Reference to "the Board" shall mean the Board of Directors*

#### **1. Membership**

- 1.1 Members of the Committee shall be appointed by the Board and shall be made up of at least 3 members, the majority of whom are considered to be independent non-executive directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3 Subject to annual re-election by shareholders, appointments to the Committee shall be for a period of up to three years, which may be extended for further three-year periods provided the director still meets the criteria for membership of the Committee.
- 1.4 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 the meeting.
- 1.5 The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

#### **2. Secretary**

- 2.1 The Company Secretary or their nominee shall act as the Secretary to the Committee.

#### **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, power and discretions 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 required.

#### **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.
- 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, any other person who is required to attend and all other non-executive directors, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to 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 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once approved, to all other members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so.

#### **7. Engagement with shareholders**

- 7.1 The Committee Chairman shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chairman should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## 8. Duties

The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the Group as a whole, as appropriate.

### 8.1 The Committee shall:

- 8.1.1 regularly review 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;
- 8.1.2 give full consideration to succession planning for the Board and senior management positions (the PLC Executive Committee) and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the company and the skills and expertise needed on the Board in the future;
- 8.1.3 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;
- 8.1.4 keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- 8.1.5 be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- 8.1.6 before making an appointment, evaluate the balance of skills, knowledge, experience and diversity on the Board and, in the light of the evaluation prepare a description of the role and capabilities required for a particular appointment and the time commitment expected. In identifying suitable candidates the Committee shall
  - 8.1.6.1 use open advertising or the services of external advisers to facilitate the search
  - 8.1.6.2 consider candidates from a wide range of backgrounds and
  - 8.1.6.3 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; and
  - 8.1.6.4 as part of the process for nominating candidates for appointment, other significant time commitments should be disclosed and any additional future commitments should not be undertaken without prior approval of the Board. The proposed appointee should also be required to disclose any other business interests that may result in a conflict of interest and any future business interest that could result in a conflict of interest must not be undertaken without prior authorisation of the Board;
- 8.1.7 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;
- 8.1.8 review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning;
- 8.1.9 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; and
- 8.1.10 work and liaise as necessary with all other Board Committees, ensuring the interaction between committees.

### 8.2 The Committee shall also make recommendations to the Board concerning:

- 8.2.1 formulating plans for succession for both executive and non-executive directors and in particular the key roles of Chairman and Chief Executive;
- 8.2.2 suitable candidates for new directors and succession for existing directors;
- 8.2.3 membership of the Audit and Remuneration Committees, and any other Board committees as appropriate, in consultation with the chairmen of those committees;
- 8.2.4 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 the light of the knowledge, skills and experience required;
- 8.2.5 the re-election by shareholders of any director under the annual re-election provisions of the Code or the 'retirement by rotation' provisions in the Company's Articles of

Association having due regard to their performance and ability, and why their contribution is important to the Company's long-term sustainable success in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board, taking into account the length of service of individual directors, the Chairman and the Board as a whole;

8.2.6 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;

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

## **9. Reporting Responsibilities**

9.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9.3 The Committee shall produce a report to be included in the Company's annual report describing the work of the Committee, including:

9.3.1 The process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline;

9.3.2 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;

9.3.3 The policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented, and progress on achieving the objectives; and

9.3.4 The gender balance of those in senior management positions (the PLC Executive Committee) and their direct reports.

9.4 If an external search consultancy has been engaged, it should be identified in the annual report alongside a statement about any other connection it has with the Company or individual directors.

## **10. Other**

The Committee shall

10.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;

10.2 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;

10.3 give due consideration to laws and regulations, the provision of the Code and the requirements of the FCA's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate; and

10.4 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 to the Board for approval.

## **11. 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.