

## **STV Group plc**

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

**Adopted by the Board on 20 August 2021**

#### **1. COMPOSITION**

##### **Membership:**

- Members will be appointed by the Board
- The Committee will comprise at least three members, with the majority being independent non-executive directors
- Appointments will 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

##### **Chairman:**

- The Chairman will be appointed by the Board
- The Chairman will be either the Chairman of the Board or an independent non-executive director
- The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship

##### **Secretary**

- The Company Secretary or their nominee will act as the Secretary of the Committee

#### **2. DUTIES AND RESPONSIBILITIES**

##### **Board Composition:**

- Regularly review the structure, size, and composition (including the skills, knowledge, diversity and experience) of the Board and make recommendations to the Board with regard to any changes

##### **Succession Planning:**

- Give full consideration to succession planning for directors and other senior executives, taking into account the challenges and opportunities facing the Company, and the skills, knowledge, experience, independence, expertise and diversity needed on the Board in the future
- Keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace
- Oversee the development of a diverse pipeline for succession
- Make recommendations to the Board concerning orderly plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive
- Consider, at least annually, management's succession plans for senior management below the level of executive director

## **Board Appointments and Searches:**

- Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise, including executive directors and the Senior Independent Director
- Before making any appointment, evaluate the balance of skills, knowledge, independence, diversity and experience 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:
  - use open advertising or the services of external advisers to facilitate the search
  - consider candidates from a wide range of backgrounds
  - consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, taking care that appointees have enough time available to devote to the position
- Where the vacancy is for a Chairman or Senior Independent Director, ensure that a job specification is prepared which includes the time commitment expected
- Be responsible for ensuring that prior to the appointment of any director, the proposed appointee discloses:
  - any current business interests that may result in a conflict of interest
  - other significant commitments (not limited to other external appointments)
- 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
  - details of the induction process

## **Director re-appointments / continuation in office:**

- Make recommendations to the Board, having given due regard to Directors' performance including their ability to continue to contribute to the Board and their commitment to the role in the light of the knowledge, skills and experience required regarding:
  - the re-appointment of any non-executive director at the conclusion of their specified term of office, taking into account the need for progressive refreshing of the Board
  - putting each director forward for annual re-election at the Annual General Meeting in accordance with the provisions of the Corporate Governance Code
- Make recommendations to the Board concerning 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
  - a non-executive director's dismissal, retirement, non re-appointment or any other substantial change in their duties or responsibilities or the term of their appointment

## **Time Commitments and external appointments:**

- Review annually the time required from non-executive directors, including the Chairman and the Senior Independent Director and use the annual performance evaluation to assess whether the non-executive directors are spending enough time to fulfil their duties

- Notwithstanding the Board approval required for directors to take on additional external appointments, keep under review the number of external directorships held by each director, taking into account the investor body and institutional guidelines in relation to 'overboarding'

#### **Diversity:**

- Review annually the Company's Equality, Diversity and Inclusion Policy

#### **Board Committee Membership:**

- Make recommendations to the Board concerning membership of Board Committees in consultation with the Chairmen of those Committees

#### **Board Evaluation:**

- If requested by the Chairman of the Board, assist with the implementation of an annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its Committees, including consideration of balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, how the Board works together as a unit, and other factors relevant to the Board's effectiveness

#### **Removals:**

- The Committee shall be the initial point of reference for any director who has concerns about the performance, acts or omissions of another director
- Any member of the Committee who receives a formal expression of concern shall, as soon as practicable, convene a meeting of the Committee to discuss the matter. If the director whose performance, acts or omissions are under review is a member of the Committee, they shall not be invited to join the meeting
- The Committee shall make further enquiries as it considers necessary to gain a full understanding of the situation and in addition may take legal advice at the Company's expense
- As soon as practicable, the Committee shall convene a meeting of and report fully to the Board (excluding the director under review) and make such recommendations to the Board as the Committee thinks fit
- Any recommendation of the Committee in respect of the director being reviewed shall only take effect when approved by a resolution of the Board
- In making such recommendations, the Committee will take into account the provisions of the Companies Acts, the Articles of Association of the Company and the corporate governance implications of such recommendations

### **3. MEETING ARRANGEMENTS**

#### **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 and any other person required to attend in sufficient time to allow consideration of the papers
- Meetings of the Committee shall be summoned by the Secretary at the request of the Chairman
- Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time

**Frequency of meetings:**

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

**Method of meetings:**

- Meetings may be by telephone and by video-conferencing

**Conflicts of Interest**

- Any conflict must be declared at the start of the meeting and recorded in the minutes. If a Committee member has a conflict, either directly or indirectly, they shall abstain from voting or excuse themselves from the meeting, as appropriate
- The Chairman may ask Members to leave the meeting to allow discussions on matters relating to them

**Quorum:**

- The quorum necessary for the transaction of business shall be two, 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, powers and discretions vested in or exercisable by the Committee

**Attendance:**

- In the absence of the Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting
- Only members of the Committee have the right to attend meetings.
- Other directors and individuals such as the CEO, HR Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate

**Minutes of Meetings:**

- The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance
- Minutes of Committee meetings shall be circulated to all members of the Committee and, once agreed, to all other members of the Board, unless a conflict of interest exists

**Resolutions:**

- Resolutions shall be passed by a majority of votes cast and in the event of a deadlock, the Chairman will have a casting vote, except where they have abstained from voting
- Approvals may be agreed in writing, including by email or by phone or video conference

**Annual General Meeting:**

- The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities

#### **4. REPORTING**

- The 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 needed
- The Committee shall prepare a report to be included in the Company's Annual Financial Report about its activities, including:
  - the process used in relation to appointments, identifying any search consultants engaged
  - its approach to succession planning, linking this to Company strategy and considering different time horizons and skill shortages
  - how the Board and Committee evaluation has been conducted, identifying any external evaluator engaged
  - its policy on diversity and inclusion, promoting diversity of gender, social and ethnic backgrounds, cognitive and personal strengths
  - the gender balance of those in senior management and their direct reports

#### **5. EVALUATION**

- The Committee shall review its own performance annually and its constitution and terms of reference periodically to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval

#### **6. AUTHORITY**

- The Committee is authorised to seek any information it requires from any employee of the company in order to perform its duties, including access to the Company Secretary for assistance as required
- 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