

EMIS GROUP PLC

NOMINATION COMMITTEE

TERMS OF REFERENCE

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EMIS GROUP PLC
(the Company)

Nomination Committee (the Committee): Terms of Reference

1. MEMBERSHIP

- 1.1 The members of the Committee shall be appointed by the Board from amongst the non-executive directors.
- 1.2 The Committee shall have at least two members. The majority of members shall be independent non-executive directors, that is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. A quorum shall be two members.
- 1.3 The Board shall appoint the Committee Chair who should be either the Chair of the Board or an independent non-executive director. The Board shall determine how long the Chair shall hold office.
- 1.4 The Chair of the Board shall not chair the Committee when it is dealing with the appointment of a successor to the current Chair.
- 1.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the director remains independent.
- 1.6 If a member is unable to act for any reason, the Chair may appoint another non-executive director as an additional member, provided always that the majority of members of the Committee shall be independent, as described in paragraph 1.2 above.

2. SECRETARY

The secretary of the Committee shall be the Company Secretary or such other person as the Committee may appoint.

3. ATTENDANCE AT MEETINGS

- 3.1 The Committee may invite any person it thinks appropriate to join the members of the Committee at its meetings.

- 3.2 The Chair shall attend the Company's Annual General Meeting, prepared to respond to any shareholder questions on the Committee and its activities and responsibilities.

4. **FREQUENCY OF MEETINGS**

- 4.1 At least two meetings shall be held each year. These meetings shall be convened by the secretary of the Committee, at the request of the Chair.
- 4.2 Unless otherwise agreed, notice of each meeting shall confirm the venue, time and date, together with an agenda of items to be discussed. Notice shall be sent to each member of the Committee, any other person required to attend and all other non-executive directors. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

5. **VOTING ARRANGEMENTS**

- 5.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 5.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 5.3 Save where he has a personal interest, the Chair will have a casting vote.
- 5.4 All decisions of the Committee shall be formally reported to the Board by the Chair. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed and shall compile a report on its activities to be included in the Company's annual report.

6. **AUTHORITY**

The Committee is authorised by the Board:

- 6.1 to investigate any activity within its terms of reference;
- 6.2 to obtain any information it requires from any employee of the Company, in order to perform its duties;
- 6.3 to obtain, at the Company's expense, outside legal or other independent professional advice on any matter within its terms of reference.

7. DUTIES

The duties of the Committee shall be:

- 7.1 to 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;
- 7.2 to 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;
- 7.3 to be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 7.4 before any appointment is made to the Board, to 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:
 - 7.4.1 use open advertising or the services of external advisers to facilitate the search;
 - 7.4.2 consider candidates from a wide range of backgrounds; and
 - 7.4.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, taking care that appointees have enough time available to devote to the position;
- 7.5 to keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the market place;
- 7.6 to keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 7.7 to 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;
- 7.8 to 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;

- 7.9 to make whatever recommendations to the Board it deems appropriate on any area within its remit, where action or improvement is needed;
- 7.10 to make a statement in the Company's annual report about the activities of the Committee, the process used to make appointments and explain if any 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;
- 7.11 to annually review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and to recommend any changes it considers necessary to the Board for approval; and
- 7.12 to consider such other matters as may be requested by the Board.

8. **RECOMMENDATIONS TO THE BOARD**

THE Committee shall be responsible for making recommendations to the Board concerning:

- 8.1 formulating plans for succession for both executive and non-executive directors and, in particular, for the key roles of chair of the Board and chief executive;
- 8.2 suitable candidates for the role of senior independent director;
- 8.3 membership of the audit and remuneration committees, in consultation with the chairs of those committees;
- 8.4 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, and the need for progressive refreshing of the Board;
- 8.5 the re-election by shareholders of any director under the 'retirement by rotation' provisions of 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;
- 8.6 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; and

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

9. **MINUTES**

The secretary of the Committee shall circulate the minutes of each meeting of the Committee and, once agreed, to all members of the Board (unless a conflict of interest exists).

10. **OTHER**

To the extent that there are insufficient independent non-executive directors to satisfy the requirements of these terms of reference, the Board shall appoint any one or more of the other executive or non-executive directors of the Board to sit on the Committee until such time as an independent non-executive director is appointed to the Board.

Reviewed and adopted by the Board on 16 June 2020