

# **WORKSPACE GROUP PLC**

## **APPROVED TERMS OF REFERENCE OF THE NOMINATIONS COMMITTEE**

**ESTABLISHED BY THE BOARD ON 6 APRIL 2004 (REVISED 3 APRIL 2007,  
OCTOBER 2011, MARCH 2013, MARCH 2016, MARCH 2017, NOVEMBER 2017, APRIL 2018  
AND JANUARY 2019)**

### **1. Constitution**

The Board hereby resolves to establish terms of reference for the Nominations Committee.

### **2. Membership**

- 2.1. The Nominations Committee shall be appointed by the Board and shall comprise of at least three directors, the majority of whom should be independent Non-Executive Directors.
- 2.2. Only the members of the Committee have the right to attend its meetings. Other individuals such as the Chief Executive Officer, and external advisers may, however, be invited to attend whenever their input is required.
- 2.3. A Chair of the Committee should be appointed by the Board, they should be either the Chairman of the Board or an independent Non-Executive Director. If the Chairman of the Committee should be absent then the remaining quorate members should elect one of their number to chair that particular meeting. The Chairman of the Board should not chair the Committee when it is dealing with the matter of succession to the Chairmanship.
- 2.4. Appointments to the Committee are made by the Board for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

### **3. Secretary**

The Nominations Committee shall appoint a Secretary to the Committee who may, or may not be, a member of the Committee.

### **4. Quorum**

The presence of two Non-Executive Directors shall constitute a quorum of the Committee.

### **5. Authority and Frequency of Meetings**

- 5.1. The Nominations Committee is authorised by the Board to investigate any matter within its terms of reference. It is authorised to obtain outside professional advice and assistance in the conduct of its duties and to secure the attendance of outsiders with relevant experience and expertise wherever necessary. It is also authorised to seek any information from any employee in the company that it deems to be necessary in order to discharge its duties.
- 5.2. Meetings shall be held once per annum and otherwise as required.

## **6. Notice of Meetings**

- 6.1. Meetings of the Committee shall be called by the Company Secretary of the Committee at the request of the Committee Chairman.
- 6.2. Unless otherwise agreed, notice of each meeting, stating the time, date and venue of the meeting, along with an agenda of items which will be discussed at the meeting, should be circulated to every member of the Committee at least 3 working days before the meeting is due to take place along with any supporting papers.

## **7. Minutes of Meetings**

- 7.1. The proceedings of Committee meetings should be minuted by the Secretary or her nominee, including the names of those present and in attendance.
- 7.2. Minutes of Committee meetings should be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so.

## **8. Annual General Meeting**

The Committee Chairman shall attend the Annual General Meeting prepared to answer to any Shareholder questions on the Committee's activities.

## **9. Duties**

- 9.1. The Nominations Committee shall:
  - 9.1.1. regularly review the structure, size and composition of the Board (including the skills, knowledge and experience of its members) and make recommendations to the Board with regard to any changes that are deemed necessary;
  - 9.1.2. give full consideration to succession planning for all directors and other senior managers, taking into account any changes that may be occurring in the nature of the Company's business and therefore the skills and expertise that will be necessary on the Board in the future;
  - 9.1.3. identify and nominate candidates for the approval of the Board to fill Board vacancies as and when they arise.
  - 9.1.4. In advance of any new appointments the Committee shall evaluate the balance of skills, knowledge and experience on the Board and in light of this prepare a description of the role and capabilities that are required for a particular appointment. In order to identify a suitable candidate the Committee should:
    - 9.1.4.1. use open advertising or the services of external advisers to facilitate the search. This does not preclude candidates being identified additionally through other channels;
    - 9.1.4.2. consider candidates from a wide range of backgrounds;
    - 9.1.4.3. consider candidates on merit and against objective criteria, and with due regard to the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.

- 9.1.4.4. for the appointment of a Chairman, prepare a job description, including the time commitment expected. A proposed Chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairman's commitments should be reported to the Board as they arise
- 9.1.4.5. for the appointment of a director who is intended to become Chairman of the Remuneration Committee, ensure that candidates have served as a member of a remuneration committee for at least 12 months.
- 9.1.5. Keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates. In light of this, the Committee should regularly review the leadership needs of the organisation, with regards to both Executives and Non-Executives, in order to ensure that the organisation continues to be able to operate and compete effectively within its marketplace and achieve its planned development.
- 9.1.6. Review the time commitment required of Non-Executive Directors annually. Ensure that the Chair of the Board performs performance assessments on all Non-Executives in order to determine whether they are spending enough time to fulfil their duties. Ensure that performance appraisals are undertaken on all Executive Directors at least annually.
- 9.1.7. Ensure that the other significant commitments of all Board members are disclosed to the Board prior to appointment and included within the Annual Report each year.
- 9.1.8. Prior to the appointment of a Director, the proposed appointee should be 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.
- 9.1.9. 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 in outside Board meetings, on appointment to the Board.
- 9.1.10. Review the results of any Board performance evaluation process that relate to the composition of the Board.
- 9.2. The Nominations Committee shall also make recommendations to the Board concerning:
  - 9.2.1. Succession plans for both Executive and Non-Executive Directors and, in particular, for the key roles of Chairman and Chief Executive.
  - 9.2.2. Suitable candidates for the role of Senior Independent Director.
  - 9.2.3. Membership of the Audit and Remuneration Committees or any other Committees established by the Board in consultation with the Chair of these Committees.
  - 9.2.4. The re-appointment of any Non-Executive Director on or before their specified term of office, having given due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required.
  - 9.2.5. The re-election by shareholders of any director under the annual re-election provisions of the UK Corporate Governance Code or the 'retirement by rotation' provisions in the company's Articles, taking account of that director's performance and contribution to the Board and the knowledge, skills and experience required.

- 9.2.6. 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 provisions of the law and their service contract.
- 9.2.7. The appointment of any Director to an Executive or other office other than to the positions of Chair and Chief Executive Officer, which should be considered at meetings of the full Board.
- 9.3. The Nomination Committee shall produce a report to be included in the Company's Annual Report about its activities, the process used to make appointments and 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 or any individual director of the Company.
- 9.4. The report referred to in 9.3 should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.
- 9.5. Where an external evaluator is used for any board evaluation, it shall be identified in the Annual Report and a statement made as to whether it has any connection with the Company or any individual director of the Company.
- 9.6. The Chairman of the Committee shall seek engagement with shareholders on significant matters related to areas of the Committee's responsibility.

## **10. Reporting Procedures**

- 10.1. The Committee Chairman shall ensure that the Committee's agendas and minutes are formally reported to the Board.
- 10.2. The Committee shall make any recommendations to the Board that it deems to be appropriate on any area within its duties and responsibilities.
- 10.3. Membership of the Committee and attendance shall be noted in the Annual Report along with a statement on the activities of the Committee and the process used to make appointments, providing an explanation if external advice or open advertising has not been used.

## **11. Committee Performance**

The Committee should review its own performance, constitution and terms of reference annually in order to ensure that it is operating as effectively as possible. It should recommend any changes that it deems to be necessary to the Board for approval.

## **12. Other Matters**

- 12.1. Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
- 12.2. 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,