
Nomination Committee Terms of Reference

Approved by Nomination Committee April 2023



NOMINATION COMMITTEE

The role of the Nomination Committee is to review the composition of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee and make recommendations to the Board as necessary.

TERMS OF REFERENCE

1. PURPOSE AND REMIT

- 1.1 The Nomination Committee has the delegated authority of the Board as set out in these terms of reference including responsibility for recommending to the Board for its approval the structure, size and composition of the Board, the Audit Committee and the Remuneration Committee.
- 1.2 The Nomination Committee may sub-delegate any or all of its powers and authority as it thinks fit, including without limitation the establishment of sub-committees. The membership of any sub-committee established under this authority will be comprised of a minimum of two members of the Nomination Committee.

2. MEMBERSHIP AND QUORUM

- 2.1 The Nomination Committee shall consist of a minimum of two members. The Nomination Committee shall be appointed by the Board and a majority of the members shall be independent non-executive Directors.
- 2.2 The Nomination Committee may invite other Directors, Group employees and external advisers to attend meetings as and when deemed appropriate.
- 2.3 The Board shall appoint the Nomination Committee Chair, who shall be either the Chair of the Board or an independent non-executive Director. In the absence of the Nomination Committee Chair or an appointed deputy, the remaining members present shall elect one other member present to chair the meeting. The Chair of the Board shall not chair the Nomination Committee when it is dealing with the matter of the role of the Chair of the Board.
- 2.4 Appointments to the Nomination Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the members (other than the Chair of the Board, if they are a member of the Nomination Committee) continue to meet the criteria for membership of the Nomination Committee.
- 2.5 The Company Secretary or their nominee shall act as the Secretary of the Nomination Committee.
- 2.6 The quorum for decisions of the Nomination Committee shall be two members, of whom both must be independent Non-executive Directors. A duly convened meeting of the Nomination 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 Nomination Committee.

3. MEETINGS

The Nomination Committee shall meet at least twice a year and at such other times as the Nomination Committee Chair shall require.

3.1 Formal meetings of the Nomination Committee may be held by telephone or other communication equipment which allows those participating to hear and speak to each other and the quorum in that event shall be any two Nomination Committee members so linked.

3.2 Meetings of the Nomination Committee shall ordinarily be summoned by the Secretary of the Nomination Committee at the request of the Nomination Committee Chair.

3.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and any supporting papers, shall be forwarded to each member of the Nomination Committee and any other person required to attend and all other non-executive directors, no fewer than five days prior to the date of the meeting.

4. MINUTES AND RECORD KEEPING

4.1 The Secretary of the Nomination Committee shall minute the proceedings and resolutions of all meetings of the Nomination Committee, including the names of those present and in attendance and the existence of any conflicts of interest.

4.2 Minutes of Nomination Committee meetings shall be circulated promptly to all members of the Nomination Committee and the Chair of the Board and to all other Board members, unless a conflict of interest exists or it would otherwise be inappropriate to do so.

5. DUTIES

5.1 The Nomination Committee shall:

5.1.1 regularly review the structure, size and composition of the Board and make recommendations regarding any changes to the Board as necessary with respect to the role, capabilities and expected time commitment required for each appointment, having given due consideration to the balance of skills, experience and knowledge of the Company and industry on the Board and the benefits of diversity;

5.1.2 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 Group and the skills and expertise needed on the Board in the future and ensure plans are in place for orderly succession and oversee the development of a diverse pipeline for succession;

5.1.3 set measurable objectives for, and prepare a policy in relation to, board and senior management diversity, including gender, and determine measurable policy objectives as deemed appropriate;

5.1.4 keep under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the Group's continued ability to compete effectively in the marketplace;

5.1.5 keep up to date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates;

5.1.6 be responsible for identifying and nominating for the Board's approval, candidates to fill Board vacancies as and when they arise;

5.1.7 before making a nomination for appointment, evaluate the balance of skills, knowledge and experience of the Board considering the benefits of diversity 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 Nomination Committee shall:

- (a) if appropriate, seek advice from external advisers or use open advertising to facilitate the search, or, if neither are used in the appointment of a Chair or a non-executive director, explain the reasons for this;
- (b) consider candidates from a wide range of backgrounds
- (c) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have sufficient time available to devote to the position
- (d) carry out sufficient due diligence on candidates (especially those who are taking a FCA controlled function position) to ensure the candidate is fit and proper for the role in question;

5.1.8 ensure that prior to the appointment of a director, the proposed appointee is required to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest and (ii) any significant commitments, with an indication of the time involved;

5.1.9 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 membership and involvement outside Board meetings and that all directors receive suitable induction materials and/or training to assist them in fulfilling their duties, obligations and responsibilities as directors of the Company;

5.1.10 review annually the time commitment 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;

5.1.11 review annually the continued independence of each non-executive director;

5.1.12 prepare, and review regularly, job specifications for the Chair and Chief Executive Officer, including the time commitment expected;

5.1.13 oversee the reviews of executive directors and senior managers conducted by the Chief Executive Officer and Chair on an annual basis; keep under regular review any authorisations granted by the Board in connection with a director's conflict of interest; and

5.1.14 take ownership of policies as delegated by the Board.

5.2 The Nomination Committee shall also make recommendations to the Board:

5.2.1 as regards plans for succession for both executive and non-executive directors, and in particular for the roles of Chair and Chief Executive Officer;

5.2.2 relating to 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 light of the knowledge, skills and experience required;

- 5.2.3** as regards the re-election by shareholders of any director under the annual re-election provisions of the UK Corporate Governance Code 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 and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
- 5.2.4** regarding suitable candidates for the role of senior independent Director;
- 5.2.5** regarding membership of the Audit and Remuneration Committees, in consultation with the relevant Committee Chairs;
- 5.2.6** 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; and
- 5.2.7** concerning the appointment of any director to executive or other office other than to the positions of Chair of the Board and Chief Executive Officer, the recommendations for which shall be considered at a Board meeting.

6. REPORTING RESPONSIBILITIES

- 6.1** The Nomination Committee Chair shall report formally to the Board any decisions made at a Nomination Committee meeting.
- 6.2** The Nomination Committee shall make whatever recommendations to the Board it deems appropriate- on any area within its remit where action or improvement is needed. All decisions on recommendations referred to the Board shall take effect only upon approval thereof by resolution of the Board, at a meeting which is properly convened and constituted and in accordance with the Company's articles of association.
- 6.3** The Nomination Committee shall include within the Group's Annual Report a description of the work of the Nomination Committee and how it has discharged its responsibilities. This report, signed by the Nomination Committee Chair, shall include:
 - 6.3.1** a summary of the role and work of the Nomination Committee;
how the Nomination Committee composition requirements have been addressed, and the names of all members of the Nomination Committee during the period, if not provided elsewhere;
 - 6.3.2** the number of Nomination Committee meetings;
 - 6.3.3** the process used to make appointments and explanation 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 Group;
 - 6.3.4** a statement of the policy on Board diversity, including gender, the measurable objectives set for implementing the policy, and progress on achieving the objectives.

7. AUTHORITY

- 7.1** The Nomination Committee is authorised by the Board:

7.1.1 to seek any information it requires from any employee, consultant and other provider of services to the Group in order to perform its duties; and

7.1.2 to obtain, at the cost of the Group, outside legal or other independent professional advice (including that of search consultants) on any matter within its terms of reference.

8. ANNUAL GENERAL MEETING

The Nomination Committee Chair shall attend each annual general meeting of Record plc prepared to respond to any shareholder questions on the Nomination Committee's activities.

9. OTHER MATTERS

9.1 The Nomination Committee shall, on an annual basis, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness, and make any appropriate recommendations to the Board.

9.2 The Nomination Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on-going training for existing members.

9.3 The Nomination Committee shall give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules and any other applicable rules as appropriate.

9.4 The Nomination Committee shall have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.

9.5 The Nomination Committee shall oversee any investigation of activities which are within its terms of reference and work and liaise as necessary with all other Board Committees.

9.6 The Nomination Committee shall make available its terms of reference on the Group's website explaining clearly its role and authority delegated to it by the Board.



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