

# Nomination & Governance Committee Terms of Reference

Ceres Power Holdings plc

## 1. Duties of The Committee

### 1.1 The Committee shall

- a. 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;
- b. 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;
- c. be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- d. before appointment is made by the Board, 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:
  - 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, including gender, taking care that appointees have enough time available to devote to the position;
- e. for the appointment of a Chairperson, the Committee should prepare a job specification, including the time commitment expected. A proposed Chairperson's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairperson's commitments should be reported to the Board as they arise;
- f. 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;
- g. 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;
- h. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- i. Regularly review the 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;
  - review the results of the Board performance evaluation process that relate to the composition of the Board;
  - ensure that evaluation of the Board is externally facilitated at least every three years;
  - review the results of the performance evaluation of the Committee.

- j. 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
- k. 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.
- l. work and liaise as necessary with other Board committees.

1.2 The Committee shall also make recommendations to the Board concerning:

- a. formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairperson and Chief Executive;
- b. suitable candidates for the role of Senior Independent Director;
- c. membership of the Audit, and Remuneration Committees, and any other Board committees as appropriate, in consultation with the Chairperson of those committees;
- d. 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;
- e. the re-election by shareholders of any director under the “retirement by rotation” provisions in 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 and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
- f. 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
- g. the appointment of any director to executive or other office.

1.3. The Committee shall also review and monitor the Company’s Corporate Governance and in particular:

- a. review the relationships of members of the Board with the Company or its management and assist the Board with its determination of the independence of its members;
- b. to monitor trends and best practice in Corporate Governance, periodically review the Company’s Corporate Governance policies and procedures and where appropriate recommend changes to the Board; and
- c. to regularly review conflict authorisations. Each director’s section 175 authorisations should be reviewed annually (perhaps as part of the board performance review) to check it is appropriate for the relevant matter to remain authorised. Authorisation should, however, be formally considered by the Board on the advice of the Committee.

## 2. Membership

- 2.1 The members of the Committee shall be appointed by the Board. The majority of the members of the Committee should be independent non-executive directors as defined by the UK Corporate Governance Code from time to time. The Board shall appoint the Chairperson of the Committee who should be either the Chairperson of the Company or an independent non-executive director. The Chairperson of the Company shall not chair the Committee when it is dealing with the matter of succession of the chairperson of the Committee.
- 2.2 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of three years provided the director still meets the criteria for the membership of the Committee.
- 2.3 The Committee shall have at least two members.
- 2.4 A quorum shall be any two independent non-executive director members of the Committee.

## 3. Voting Arrangements

- 3.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting.
- 3.2 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.
- 3.3 Save where they have a personal interest, the Chairperson will have a casting vote.

## 4. Attendance at Meetings

- 4.1 The Committee will meet at least two times a year. The Committee may meet at other times during the year as agreed between the members of the Committee or as otherwise requested. Meetings of the Committee may be conducted in person by audio or video conference.
- 4.2 Only members of the Committee have the right to attend Committee meetings but other directors and persons (such as the head of human resources) and external advisers may be invited to attend all or part of any meeting as and when appropriate.
- 4.3 The Company Secretary or his or her nominee shall be the secretary of the Committee.

## 5. Notice of Meetings

- 5.1 Meetings of the Committee shall be called by the Chairman or secretary of the Committee at the request of the Chairperson of the Committee.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than three 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. Authority

The Committee is authorised by the Board of directors to examine any activity within its terms of reference and is authorised to obtain, at the Company's expense, professional advice on any matter within its terms of reference. 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. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

## 7. Reporting

- 7.1 The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance, shall be minuted by the Company Secretary. Draft minutes of each meeting will be circulated promptly to the Chair of the Committee and once approved to the Committee members.
- 7.2 The Chairperson of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.3 The 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. The report 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 objectives.
- 7.4 The Committee shall make available its terms of reference on the Company's website.

## 8. General Matters

- 8.1 the Chairperson of the Committee should make themselves available at each annual general meeting of the Company to answer questions concerning the Committee's work.
- 8.2 The Committee shall arrange for periodic reviews of its own performance and, at least once a year, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 8.3 The Committee shall 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.
- 8.4 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
- 8.5 The Committee shall give due consideration to all laws and regulations as appropriate.

*Terms of Reference were approved by the Board of Directors on 24<sup>th</sup> June 2020.*