

NOMINATION & GOVERNANCE COMMITTEE TERMS OF REFERENCE

(Approved on 24/01/2024)

1. Membership

- 1.1 The Nomination & Governance Committee (Committee) comprises not less than three Independent Non-Executive Directors (NEDs) appointed by the Chesnara plc Board (the "Board") from time to time in consultation with the Chair of the Committee. The majority of members of the Committee must be independent NEDs.
- 1.2 The Board shall appoint the Committee Chair who should be an independent NED and not the Chair of the Board. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.

2. Meetings

- 2.1 The Committee will meet as often as is required and have a minimum of three meetings a year.
- 2.2 No-one other than members of the Committee are entitled to be present at the meetings of the Committee; it is for the Committee to decide if non-members should attend. The Committee may invite external advisers to attend meetings where it considers this to be appropriate.
- 2.3 Other Directors and employees of the Company and external advisers shall not attend meetings when their own nomination or declarations of interest are under discussion.
- 2.4 The Board may determine the quorum for meetings of the Committee from time to time. In the absence of any such determination, the quorum will be two members.
- 2.5 Sufficient time must be allowed to enable the Committee to undertake as full a discussion as may be required.
- 2.6 Any decisions will be made by simple majority vote, the Chair having the casting vote.
- 2.7 The Chair of the Committee shall attend the AGM to be available to investors to answer any matters within the Committee's areas of responsibility. Should such attendance not prove possible, the Chair's ongoing availability to investors will allow their questions to be considered.

3. Secretary

- 3.1 The Group General Counsel & Company Secretary, or his/her nominee, shall act as Secretary of the Committee unless the Committee determines otherwise.
- 3.2 The Group General Counsel & Company Secretary is responsible for ensuring that the Committee receives due notice of the time and location of meetings and is also

responsible for the distribution of papers 5 working days in advance of meetings to enable full and proper consideration to be given to the matters in hand.

3.3 The Secretary shall minute the proceedings and resolutions of all Committee meetings including the names of those present and in attendance.

3.4 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

4. Responsibilities

The responsibilities of the Committee are to: -

- Regularly review the structure, size and composition of the Board, its Committees (in consultation with the Committee Chairs), the Directors and Senior Executives ("Senior Executives" for this purpose should be determined by the Board but would normally include the first layer of management below Board level), taking into account the results of the Board performance evaluation process. Before making any recommendation or changes to the Board, the Committee shall: -
 - determine the total number of Directors felt to be appropriate taking into account the optimum size of the Board as determined by the Committee from time to time;
 - consider the balance between the number of Senior Executives and NEDs;
 - assess the independence of each NED and any circumstances likely to impair, or that could appear to impair, their independence;
 - determine the balance of the number of independent NEDs;
 - ensure the existence of an adequate level of collective knowledge and experience required relevant to the activities of the Company;
 - take into account the length of service and likely retirement dates of existing Directors;
 - assess diversity, including the skill mix, regional and industry experience, background, ethnicity and gender of Directors, with an aim to ensure that no individual or small group of individuals can dominate the Board's decision making;
 - consider the scope and mix of outside experience; and
 - evaluate the expected time commitment required for each key Board position.
- Give full consideration to succession planning for Directors and Senior Executives, taking into account the challenges and opportunities; strategic and commercial issues facing the Company and the markets in which it operates; and the skills and expertise needed on the Board in the future. In so doing, the Committee will also have regard to the length of service, matters of diversity and expected dates on which existing Directors will conclude their terms of office.
- Review the governance practices and procedures, to ensure that they, and their development and implementation, remain appropriate for a group the size and complexity of Chesnara, mindful of its strategy and current Business Plan, and reflect best practices and principles.
- Scrutinise and hold to account the performance of Executive Directors against agreed performance objectives and advise the Remuneration Committee of their assessments.
- Keep under review the leadership needs of the organisation, both Senior Executive and NED, to ensure that the organisation can continue to compete effectively in its marketplaces.
- Be responsible for identifying and nominating to the Board, candidates to fill vacancies as and when they arise including, but not limited to, the Chesnara NEDs, the Board Chair (who

shall be independent upon appointment), the Senior Independent Director (who shall be independent upon appointment), the Chairs of the Board's Committees, the Chesnara Executive Directors and the Group Chief Executive's direct reports.

- Before making a recommendation to the Board, the Committee shall evaluate a candidate's suitability using the regulatory Fit & Proper test as a benchmark, taking into consideration the balance of skills, knowledge, independence, 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: -
 - consider the use of 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; and
 - review a candidate's other commitments and ensure that, on appointment, a candidate has sufficient time to undertake the role set out.
- As part of the process for nominating candidates for appointment, obtain details of- and review- any interests the candidates may have which conflict or may conflict with the interests of the Company. The Committee must consider whether, despite any such conflict, there are nevertheless grounds for recommending the candidate for appointment and for the Board to authorise the relevant conflict.
- Review annually the time required from a NED - performance evaluation should be used to assess whether the NED is spending enough time to fulfil their duties.
- Consider and approve the appointment of Directors for Division and Business Unit Boards.
- Consult with the Group Chief Executive in relation to the appointment and dismissal of Group Senior Leadership Team members (those being the Group CEO's direct reports and Division or Business Unit CEOs) or other Senior Executives as determined from time-to-time.
- Ensure that on appointment to the Board, NEDs 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.
- Work and liaise as necessary with all other Board Committees.
- Make recommendations to the Board regarding: -
 - The re-appointment of any NED at the conclusion of their specified term of office, having considered their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required.
 - The annual re-election by shareholders of any Board Director under the retirement by rotation provisions in Chesnara'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).
 - Any matters relating to the continuation in office of any Board Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Company subject to the law and provisions contained within their service contract.
 - Any matters relating to the appointment of any Board Director to Executive or other office other than to the positions of Chair or Group Chief Executive, the recommendation for which would be considered at a meeting of the Board.

5. Reporting

- 5.1 the Committee Chair shall report to the Board on its proceedings after each meeting on matters within its duties and responsibilities.
- 5.2 the Committee shall make whatever recommendations to the Board that it deems to be appropriate on any area within its remit where action or improvement is needed.
- 5.3 the Committee shall produce a report to be included in the company's Annual Report & Accounts about its activities, the process used to make appointments and explain if external advice or open advertising has 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.
- 5.4 the report referred to in 5.3 above 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.

6. Authority

- 6.1 The Committee is authorised by the Board to investigate any matter within its terms of reference, using, at Chesnara's expense, resources from within the Company or from external legal, accounting or other advisers as the Committee considers necessary. The Committee is authorised to seek information from any Director or employee, and from any adviser, agent or representative of Chesnara, for the purpose of fulfilling its duties. The Board, if so requested, directs such person to co-operate with the Committee.
- 6.2 The Committee may form and delegate authority to sub-committees if the Committee thinks it appropriate. Any such sub-delegation shall be noted in the minutes of the Committee.
- 6.3 The Committee must give due consideration to all laws, regulations, governance codes, listing and other applicable rules as appropriate.

7. Reviewing Effectiveness

- 7.1 The Committee must review annually its terms of reference and its own effectiveness and recommend any necessary changes to the Board.

8. Availability of terms of reference

- 8.1 The terms of reference of the Committee will be made available on Chesnara's website.

