

Nomination Committee TOR

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LUCECO PLC

TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE

In this document, the "**Board**" shall mean the Board of directors of the Company; the "**Committee**" shall mean the Nomination Committee; the "**Company**" shall mean Luceco plc. References to the "**Code**" are to the UK Corporate Governance Code.

1 CONSTITUTION

The Board has resolved to establish a Committee of the Board to be known as the Nomination Committee.

2 PURPOSE OF COMMITTEE

The purpose of the Committee is:

- 2.1 to keep under review the structure, size and composition, including diversity, of the Board as well as succession planning for directors and senior managers and oversee the development of a diverse pipeline for succession; and
- 2.2 to lead the process for identifying and nominating for approval by the Board, candidates to fill Board and Committee vacancies.

3 MEMBERSHIP

- 3.1 The Committee shall comprise at least three members. Members of the Committee shall be appointed by the Board.
- 3.2 A majority of the members of the Committee shall be independent non-executive directors.
- 3.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chief executive, the head of human resources and external advisers may be invited by the chairman to attend all or part of any meeting, as and when appropriate.
- 3.4 Unless determined otherwise by the Board, appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three year periods, provided the member continues to meet the criteria for membership of the Committee.
- 3.5 The Board shall appoint the Committee chairman who shall be either the chairman of the Board or an independent non-executive director. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

4 SECRETARY

The Company secretary or his or her nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

5 QUORUM

- 5.1 The quorum necessary for the transaction of business shall be two members, both of whom must be independent non-executive directors. No meeting may be convened unless all members of the Committee have received notice of the meeting. Whenever it is practicable, meetings should be arranged so that all Committee members can be present.
- 5.2 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.

6 FREQUENCY OF MEETINGS

The Committee shall meet at least twice a year and otherwise as required.

7 NOTICE OF MEETINGS

- 7.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairman.
- 7.2 Unless otherwise agreed by all members of the Committee, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five 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.

8 MEETINGS BY TELEPHONE AND OTHER ELECTRONIC MEANS

- 8.1 A meeting of the members of the Committee may consist of a conference between Committee members some or all of whom are in different places provided that each Committee member may participate in the business of the meeting whether directly, by telephone or by any other electronic means which enables him:
- (a) to hear each of the other participating Committee members addressing the meeting; and
 - (b) if he so wishes, to address all of the other participating Committee members simultaneously.
- 8.2 A quorum is deemed to be present if at least the number of Committee members required to form a quorum may participate in the manner specified in paragraph 8.1 above in the business of the meeting.
- 8.3 A Committee meeting held in the manner specified in paragraph 8.1 above is deemed to take place at the place where the largest group of participating Committee members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

9 MINUTES OF MEETINGS

- 9.1 The secretary of the Committee shall minute the proceedings and decisions of all

Committee meetings, including recording the names of those present and in attendance.

- 9.2 Draft Committee minutes shall be circulated promptly to all Committee members. Once approved, the minutes shall be circulated to all other Board members unless it would be inappropriate to do so in the opinion of the Committee chairman.

10 ANNUAL GENERAL MEETING

The Committee chairman shall attend the annual general meeting to answer shareholder questions on the Committee's activities.

11 DUTIES

The Committee shall carry out the duties below for the Company, major subsidiary undertakings and the Group as a whole, as appropriate.

The Committee shall:

- (a) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Committees, taking into account, amongst other things, the results of the Board effectiveness review process, the total number of directors, the balance of executive and non-executive directors and the balance of independent non-executive directors, the need to ensure appropriate collective knowledge and experience, the length of service of directors and diversity factors (including the skills mix, regional and industry experience, gender and social and ethnic backgrounds) and make recommendations to the Board with regard to any changes;
- (b) give full consideration to succession planning for directors and senior management and oversee the development of a diverse pipeline, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed in the future;
- (c) keep under review the leadership needs of the Company, both executive and non-executive directors, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace;
- (d) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (e) identify and nominate for approval of the Board, candidates to fill Board vacancies as and when they arise, giving full consideration to succession planning;
- (f) before any 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:
 - i. use open advertising or the services of external advisers to facilitate the search;
 - ii. consider candidates from a wide range of backgrounds; and

- iii. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, social and ethnic backgrounds, cognitive and personal strengths, taking care that appointees have enough time available to devote to the position;
- (g) prior to the appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and ensure that they are aware of reporting any future business interests that could result in a conflict of interest;
- (h) for the appointment of the chairman, prepare a job specification, including the time commitment expected. A proposed chairman's commitments should be disclosed to the Board before appointment and any changes should be reported to the Board when they arise;
- (i) 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;
- (j) review the results of the Board performance evaluation process and ensure conclusions and recommendations are reported to the Board; and
- (k) make recommendations to the Board concerning:
 - i. formulating plans for succession for both executive and non-executive directors and senior management and in particular for the key roles of chairman and chief executive officer, having due regard to the recommendation that the chair of the Board should not remain in post beyond nine years from the date their first appointment;
 - ii. suitable candidates for the role of senior independent director;
 - iii. membership of the Audit and Remuneration Committees and any other Board Committees as appropriate, in consultation with the chairman of those Committees;
 - iv. 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;
 - v. the re-election by shareholders of directors under the annual re-election provisions of the 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);
 - vi. 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

- vii. the appointment of any director to executive or other office.

12 REPORTING RESPONSIBILITIES

- 12.1 The Committee chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This report shall include:
- (a) any recommendations requiring Board approval and/or action; and
 - (b) any other issues on which the Board has requested the Committee's opinion or the Committee believes should be brought to the attention of the Board.
- 12.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 12.3 The Committee shall compile a report on its activities to be included in the Company's annual report and accounts. The report shall include:
- (a) the process used to make appointments, its approach to succession planning and how both support developing a diverse pipeline. The Report should explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified and a statement made as to whether it has any connection with the Company;
 - (b) a statement of the Board's policy on diversity, including gender and inclusion, any measurable objectives that it has set for implementing the policy, their linkage to company strategy and progress on achieving the objectives;
 - (c) a statement about the process used to conduct the annual board evaluation, the nature and extent of an external evaluator's contact with the board and individual directors if one was used, the outcomes and actions taken and how this has or will influence board composition. The review of the effectiveness of all members of the Board and the Company Secretary shall take place annually;
 - (d) a statement in the Company's Annual Report about the gender balance of those in the senior management and their direct reports.

13 OTHER MATTERS

The Committee shall:

- 13.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- 13.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 13.3 give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules and/or

regulations, as appropriate;

- 13.4 oversee any investigation of activities which are within its terms of reference; and
- 13.5 arrange for periodic reviews of its own performance as part of the performance review process and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. The Board shall also review the Committee's effectiveness annually.

14 AUTHORITY

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference.

Approved and adopted by the Board on 26 February 2019.