



# HAMMERSON

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HAMMERSON PLC

# Nomination and Governance Committee

TERMS OF REFERENCE



## HAMMERSON PLC

# Nomination and Governance Committee

<b>Members</b>	Robert Noel (Chair) Habib Annous Méka Brunel Mike Butterworth Adam Metz Carol Welch
<b>Secretary</b>	General Counsel & Company Secretary
<b>By invitation</b>	Chief Executive Chief People Officer

### 1. Purpose and Authority

- 1.1. The Nomination and Governance Committee has been established by resolution of the board of directors of the Company (the Board) and is to be known as the Nomination and Governance Committee (the Committee).
- 1.2. The principal purpose of the Committee is to:
  - a. review the composition of the Board, ensure there is a formal, rigorous and transparent procedure for the appointment of new directors, ensure there is effective succession planning for the directors and other senior executives, promote diversity, inclusion and equal opportunity throughout the Company and make recommendations for appointments and re-appointments to the Board; and
  - b. monitor the Board's corporate governance arrangements and to ensure that both the Company and the Board operate in a manner consistent with corporate governance best practice.
- 1.3. In carrying out its duties, the Committee will act in accordance with relevant legislative and regulatory requirements. In particular, Committee members will take in to account the directors' duties contained in the Companies Act 2006 (the Act) and will, where relevant, consider the factors listed in section 172 of the Act and any other relevant factors.

### 2. Membership

- 2.1. The Committee shall comprise at least three members. A majority of the members of the Committee shall be independent non-executive directors. Members of the Committee shall be appointed by the Board.
- 2.2. Only members of the Committee have the right to attend and vote at Committee meetings. However, other individuals such as the Chief Executive, the Chief People Officer and external advisers may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 2.3. The Board will regularly review the Committee's composition and membership to ensure that membership is periodically refreshed, undue reliance is not placed on



particular individuals and that the independence requirements set out in 2.1 continue to be met.

- 2.4. The Board shall appoint the Committee Chair who should be either the Chair of the Board or an independent non-executive director. 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. The Chair of the Board shall not chair the Committee when it is dealing with the matter of a successor to the Chair of the Board.

### **3. Secretary**

- 3.1. The General Counsel and Company Secretary or their nominee shall act as the Secretary of the Committee. The Secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

### **4. Quorum**

- 4.1. The quorum necessary for the transaction of business shall be two members, both of whom must be independent non-executive directors. 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.

### **5. Meetings**

- 5.1. The Committee shall meet at least twice a year and as otherwise required.
- 5.2. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair, the Board or any of the Committee members.

### **6. Notice of Meetings**

- 6.1. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be made available 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 or such other reasonable time considered adequate for the appropriate preparation for the business of the meeting. Supporting papers shall be made available to Committee members and to other attendees as appropriate, at the same time. Notices, agendas and supporting papers can be circulated in electronic form unless the recipient has indicated otherwise to the Secretary.

### **7. Minutes of Meetings**

- 7.1. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interests and minute them accordingly. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.



## 8. Engagement with Shareholders

- 8.1. The Committee Chair shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities and achievements over the year.
- 8.2. The Committee Chair should, as appropriate, seek engagement with shareholders on significant matters related to the Committee's activities and areas of responsibility.

## 9. Nomination Duties

The Committee should carry out the duties below for the Company and, as it considers appropriate, for other members of the Group.

The Committee shall:

### 9.1. Composition of the Board

- a. Regularly review the structure, size and composition, including the balance of skills, personal attributes, knowledge, experience, independence and diversity, of the Board and make recommendations to the Board with regard to any changes. When considering the composition of the Board, the Committee shall take into account the length of service of individual members and the Board as a whole ensuring the membership is regularly refreshed;
- b. review the results of the Board and Committee performance evaluation process and use these to inform its review of the composition of the Board;
- c. monitor the conduct of the Board to ensure that no individual or small group of individuals dominates decision-making;
- d. monitor the time commitments of the non-executive directors by reference, among other things, to the Board Overboarding Policy;
- e. 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; and
- f. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.

### 9.2. Succession Planning

- a. Give full consideration on an annual basis to succession planning for directors and other senior executives, taking into account the challenges and opportunities facing the Company and its strategic priorities, the diversity of the Board (with due regard to diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths), the skills, experience and expertise needed on the Board in the future, and the need to develop a diverse pipeline for succession. The Committee will ensure there is progressive refreshment of the Board and recommend such processes and plans for successions it considers necessary;
- b. formulate plans for succession for both executive and non-executive directors and, in particular, for the key roles of Chair of the Board (which would be considered at a meeting of all directors) and Chief Executive (which would be considered at a meeting of all non-executive directors and such executive directors as the Committee believes appropriate);



- c. ensure that the Company maintains a dialogue with shareholders about succession planning, the appointment of directors and the work of the Committee; and
- d. receive recommendations from management regarding talent management and succession within the Group as a whole.

### 9.3. Diversity, Inclusion & Equal Opportunity

- a. Develop, and recommend to the Board for approval, a formal policy on the approach to diversity, inclusion and equal opportunity in respect of the Board and arrange for the policy's publication on the Company's website;
- b. work with management to set diversity, inclusion and equal opportunity objectives and strategies for the Group as a whole and monitor the progress and impact of relevant initiatives, ensuring any required disclosures are made in accordance with the Act, the UK Corporate Governance Code, the Listing Rules or any other applicable legislation or regulation; and
- c. review annually the Group's equal pay and gender pay gap statistics.

### 9.4. Appointments to the Board

- a. Lead the process for appointments to the Board in a fair and thorough manner and be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- b. before any appointment is made to the Board, evaluate the balance of skills, personal attributes, knowledge, experience and diversity on the Board and future challenges affecting the Company, and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment including the time commitment required;
- c. agree the process to be used for identifying, shortlisting and interviewing suitable candidates for appointments to the Board. In identifying 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, ensuring that the interview process does not disadvantage candidates from diverse backgrounds;
  - iii. consider candidates on merit and against objective criteria, and with due regard for the benefits and promotion of diversity (including diversity of gender, of social and ethnic backgrounds, and of cognitive and personal strengths), inclusion and equal opportunity;
  - iv. ensure that appointees have sufficient time available to devote to the position to meet their board responsibilities and in particular, if the candidate is to be appointed as a full-time executive director of the Company, they should not be a non-executive director of more than one listed company or other similar significant appointment; and
  - v. assess the candidate's suitability in relation to the Company's culture, values and expected behaviours;



- d. prior to the appointment of a director, require the proposed appointee to disclose other significant commitments with an indication of the time involved;
- e. prior to the appointment of a director, require the proposed appointee to disclose any business interests or other factors that may result in a conflict of interest and, for non-executive directors, impair their independence, and to report any future changes to the Board; and
- f. 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, involvement outside Board meetings and the possibility of additional commitment when the Company is in a period of increased activity.

#### 9.5. Re-appointments to the Board

- a. Review annually the time required from non-executive directors. Performance evaluations should be used to assess whether the non-executive directors continue to devote the time required to fulfil their duties;
- b. recommend to the Board 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 and the length of term served;
- c. recommend to the Board the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code, having given due regard to their performance and ability to continue to contribute to the Board and the long-term sustainable success of the Company, in light of the knowledge, skills and experience required and the need for progressive refreshing of the Board;
- d. make recommendations to the Board on 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
- e. assess annually the independence of each non-executive director having regard to relevant provisions of the UK Corporate Governance Code and report on the outcome of that assessment to the Board (the final determination of the non-executive directors' independence being a matter reserved to the Board).

#### 9.6. Board Roles

- a. Recommend to the Board suitable candidates for the role of senior independent director;
- b. make recommendations to the Board concerning the appointment of a designated non-executive director for colleague engagement (if applicable); and
- c. make recommendations to the Board concerning the appointment or removal of the chairs of the Board's audit and remuneration committees; and the appointment or removal of the members of those committees in consultation with the chair of the relevant committee.

#### 9.7. Workforce



- a. Review the annual HR report;
- b. keep under review and recommend to the Board the selection of one or more methods of workforce engagement in accordance with the UK Corporate Governance Code and any material change to such methods; and
- c. receive periodic reports on the activities of the Forum and from the designated non-executive director with responsibility for workforce engagement.

## 10. Governance Duties

The Committee should carry out the duties below for the Company and, as it considers appropriate, for other members of the Group.

The Committee shall:

### 10.1. Governance Arrangements

- a. Keep under review the Company's compliance with UK best practice principles with respect to corporate governance, including the UK Corporate Governance Code, making any recommendations regarding changes to the Company's corporate governance practices that the Committee considers necessary or desirable following any such review;
- b. review and make any recommendations to the Board on any changes to relevant governance-related documents and policies including the matters reserved for the Board;
- c. monitor, and receive updates on, trends and developments in corporate governance matters relevant to the Group, considering their potential effect on the Group and recommending any relevant changes to the Board as appropriate; and
- d. periodically review and recommend to the Board for approval a document setting out the division of responsibilities between the Chair of the Board, the Chief Executive, the Senior Independent Director and the Designated Non-Executive Director for Colleague Engagement.

### 10.2. Conflicts of Interest

- a. Monitor, any conflict, or possible conflict, which any director of the Company may have with the interests of the Company, and require directors and proposed appointees to the Board to disclose the same (or any changes thereto); and
- b. monitor the content of the Board conflicts of interest register and report to the Board to confirm that there are no entries where a conflict or perceived conflict of interest cannot be managed or to make such recommendations in this regard as it considers appropriate (approval or authorisation of any conflict of potential conflict of interest being a matter reserved to the Board).

### 10.3. Performance Review

- a. Review, oversee and approve the process for the annual performance review of the Board and its committees, including approval of the appointment of any external evaluator. Monitor progress against any relevant recommendations arising from any such performance review.

### 10.4. Director Overboarding



- a. At least annually, review and, on behalf of the Board, approve the Director Overboarding Policy and monitor its effectiveness and ongoing compliance with its requirements.

#### 10.5. Board Training and Development

- a. Monitor training and development needs for the Board and individual directors (including as part of any induction for new directors), having regard to the need for directors to develop and refresh their knowledge and skills to ensure that they continue to make a positive contribution to the Board.

#### 10.6. Delegation of Authority Policy

- a. Review the Company's Delegation of Authority Policy as required and recommend any proposed changes for approval by the Board.

#### 10.7. Annual appraisal of the Chair

- a. Consider and determine the process to be followed for the annual appraisal of the Chair to be led by the Senior Independent Director (the Chair recusing themselves from participation in that discussion).

### **11. Reporting Responsibilities**

11.1. The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

11.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

11.3. The Committee shall review a report to be included in the Company's annual report before submission to the Board and make recommendations as necessary. The report shall cover a description of the work of the Committee including:

- a. identifying any external search consultancy engaged alongside a statement about any other connection the consultancy has with the Company or individual directors;
- b. the process used in relation to appointments, the approach taken to succession planning, and how both support the development of a diverse pipeline;
- c. the policy on diversity, inclusion and equal opportunity, its objectives, and linkage to Company strategy, how it has been implemented and progress on achieving the objectives;
- d. the ethnic background and gender balance of the members of the Group Executive Committee and their direct reports;
- e. identifying any external evaluator engaged to conduct the annual review of the performance of the Board, its committees, the chair and individual directors alongside a statement about any other connection the evaluator has with the Company or individual directors; and
- f. how the Board performance review has been conducted, the nature and extent of an external evaluator's contact with the Board and individual directors, the outcomes and actions taken, and how it has or will influence Board composition.





- 11.4. Review, and make recommendations as necessary concerning, the Corporate Governance Report to be contained in the Company's annual report before submission to the Board, focusing particularly on any areas, if any, in which the Company has departed from the provisions of the UK Corporate Governance Code.
- 11.5. The Committee shall make available on the Company's website its terms of reference explaining clearly its role and the authority delegated to it.

## **12. Other Matters**

The Committee shall:

- 12.1. have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat 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;
- 12.3. give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;
- 12.4. work and liaise as necessary with other Board committees; and
- 12.5. arrange, at least annually, an review of its own performance and its constitution and terms of reference to ensure it is operating at maximum effectiveness and report such results and recommend any changes it considers necessary to the Board for approval.

## **13. Authority**

The Committee is authorised by the Board to:

- 13.1. investigate any matter within its terms of reference;
- 13.2. seek any information it requires from any employee or director of the Group in order to perform its duties and all employees and directors are directed to cooperate with any requests made by the Committee;
- 13.3. obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;
- 13.4. select and engage any external consultants or advisers to assist it in discharging any of its responsibilities, including search for candidates for appointment to the Board;
- 13.5. delegate any matter or matters to another committee (including a sub-committee) or person(s) as it deems appropriate; and
- 13.6. call any employee, or third party with relevant experience and expertise, to be questioned at a meeting of the Committee as and when required.

Adopted by the Board on 5 December 2024