
Harworth Group plc (the “Company”) Nomination Committee Terms of Reference

1. Membership

- 1.1 The committee shall comprise not less than 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.
- 1.2 Appointments to the committee shall be for a period of up to three years, which may be extended for further periods of up to three years provided that at all times the majority of the committee comprises independent non-executive directors, taking account of any directors who have ceased to be independent.
- 1.3 The chair of the board shall review membership of the committee annually, as part of the annual performance evaluation of the board and committee.

2. Chairperson

The board shall appoint the committee chair who shall be the chair of the board or an independent non-executive director. In the absence of the committee chair and/or an appointed deputy at a meeting of the committee, the remaining members present shall elect one of their own to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the board. If the chair of the board is appointed as the committee chair, he or she shall not chair the committee when it is dealing with the matter of succession to the role of chair of the board.

3. Secretary

The company secretary, or his or her nominee, shall act as the secretary to 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.

4. Quorum

The quorum necessary for the transaction of business shall be two independent non-executive directors present in person or by audio or video conference.

5. Attendance at meetings

Only members of the committee have the right to attend committee meetings. However, other non-members such as the chief executive, Head of HR and Organisation Development

and/or external advisers may be invited to attend all or part of any meeting as and when deemed appropriate by the committee chair.

6. Frequency of meetings

The committee shall meet at least once a year and otherwise as the committee chair shall require.

7. Notice of meetings

7.1 Meetings of the committee shall be convened by the secretary at the request of the committee chair.

7.2 Unless otherwise agreed, notice of each meeting, confirming the venue, date and time, together with an agenda of items to be discussed and supporting papers, shall be circulated 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.

8. Voting

8.1 Subject to paragraph 8.2 and paragraph 8.3, each committee member shall have one vote which may be cast on matters considered at the meeting.

8.2 If a matter that is considered by the committee is one where a committee member, either directly or indirectly, has a personal interest, that member shall not be permitted to vote at the meeting.

8.3 Except where he or she has a personal interest, the committee chair shall have a casting vote.

8.4 The committee chair may ask any attendees of a committee meeting to leave the meeting to allow discussions of matters relating to them.

9. Minutes of meetings

9.1 The secretary shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance.

9.2 Draft minutes of committee meetings shall be agreed with the committee chair and then circulated to all members of the committee prior to the next committee meeting, unless it would be inappropriate to do so in the opinion of the committee chair.

9.3 A resolution in writing signed by all committee members will be as effective as a resolution passed at a committee meeting.

10. Responsibilities

10.1 The role of the committee is to:

10.1.1 ensure that there is a formal, rigorous and transparent procedure for the appointment of new directors to the board, to lead the process for, and make recommendations to the board in respect of, board appointments;

- 10.1.2 ensure the board's composition is regularly reviewed and refreshed so that, taking into account the company's strategic priorities and the main trends and factors affecting the long-term success of the company, it is effective and able to operate in the best interests of shareholders;
- 10.1.3 ensure plans are in place for orderly succession to positions on the board; and
- 10.1.4 work and liaise with other board committees, as appropriate.

10.2 The committee shall:

Board composition

- 10.2.1 regularly review the balance, structure, size and composition (including the skills, knowledge, experience, independence and diversity) of the board;
- 10.2.2 keep under review the leadership needs of the organisation, in terms of both non-executive directors and executive directors, and satisfy itself that processes and plans are in place for succession planning, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 10.2.3 keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- 10.2.4 review the results of the board performance evaluation process that relate to the composition of the board and how effectively the members of the board work together to achieve objectives;

Succession planning and diversity

- 10.2.5 oversee the development of a diverse pipeline for succession, having regard to diversity of gender, social and ethnic backgrounds, cognitive and personal strengths and, in that regard take an active role in;
 - 10.2.5.1 determining and reviewing the board's policy on diversity and as appropriate the setting of measurable objectives for implementing the policy; and
 - 10.2.5.2 monitoring the impact of diversity initiatives;
- 10.2.6 give full consideration to succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board (as appropriate) in the future;

Appointments to the Board

- 10.2.7 lead the process for board appointments and make recommendations to the Board about filling vacancies on the board and appointing additional board directors;

- 10.2.8 consider proposals for the reappointment or promotion of directors and also any proposal for their dismissal, retirement, non-reappointment or any substantial change in their duties or responsibilities or the term of their appointment;
- 10.2.9 in identifying suitable candidates:
- 10.2.9.1 evaluate the balance of skills, experience, independence, knowledge and diversity on the board, and the future challenges affecting the Company and, in light of this evaluation, prepare a description of the role and capabilities required for each new appointment including the time commitment expected, recognizing in the case of an appointment to the role of chair the need for availability in the event of crises;
 - 10.2.9.2 use open advertising or the services of external advisers to facilitate the search;
 - 10.2.9.3 consider candidates from a wide range of backgrounds bearing in mind the board's policy on diversity;
 - 10.2.9.4 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including of gender, social and ethnic backgrounds, and cognitive and personal strengths, taking care that appointees have enough time available to devote to the position; and
 - 10.2.9.5 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 and details of the induction process.

Time commitments and conflicts

- 10.2.10 require each prospective non-executive director to disclose to the board, prior to his or her appointment, his or her other significant commitments;
- 10.2.11 review annually the time commitment for non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are dedicating enough time to fulfil their duties;
- 10.2.12 keep under review the number of external appointments held by each director;
- 10.2.13 require each director to disclose to the committee all prospective external appointments for prior approval by the board, review the likely impact of such appointment on the time commitment and performance of such non-executive director and make a recommendation to the board in respect of the same;

Induction and training

- 10.2.14 ensure that all new directors undertake an appropriate induction programme to ensure that they are fully informed about strategic and commercial issues affecting

the company and the markets in which they operate as well as their duties and responsibilities as a director;

- 10.2.15 consider any training requirements for the board as a whole;
- 10.2.16 require all board appointees, on appointment, to disclose any other business interests that could give rise to a conflict and thereafter to report any new business interests that could result in a conflict of interest;
- 10.2.17 consider and, if appropriate, authorise situational conflicts of interest of directors and potential directors; and
- 10.2.18 keep under review potential conflicts of interests of directors disclosed to the company and develop appropriate processes for managing such conflicts.

10.3 The committee shall make recommendations to the Board concerning:

- 10.3.1 the structure, size and composition (including the skills, knowledge, experience, independence and diversity) of the board;
- 10.3.2 the plans for succession for both executive and non-executive directors and in particular for the key roles of chair and chief executive;
- 10.3.3 suitable candidates for the role of senior independent director;
- 10.3.4 membership of the audit and remuneration committees, and any other board committees as appropriate, in consultation with the chair of those committees;
- 10.3.5 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 knowledge, skills and experience required and the need for progressive refreshing of the board;
- 10.3.6 the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code (the "Code") or 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);
- 10.3.7 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;
- 10.3.8 prospective external appointments of directors;

10.3.9 the appointment of any director to executive or other office.

11. Reporting responsibilities

- 11.1 The committee chair shall report to the board after each meeting on all matters within its terms of reference and on how it has discharged its responsibilities. The minutes of all Committee meetings shall be included in the board papers for a subsequent board meeting, unless it would be inappropriate to do so in the opinion of the committee chair.
- 11.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its terms of reference where action or improvement is needed.
- 11.3 The committee shall report to shareholders on its work in the annual report and financial statements, including:
- 11.3.1 its activities, the membership of the committee, number of meetings and attendance over the course of the year;
 - 11.3.2 the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline;
 - 11.3.3 identifying in the annual report any external search consultancy that has been engaged, together with a statement about any other connection it has with the company or individual directors;
 - 11.3.4 how the board evaluation 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 its influence on board composition; and
 - 11.3.5 a description of the board's policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives.
- 11.4 Significant external commitments of the chair, and their impact, should be disclosed and explained in the annual report and financial statements.
- 11.5 The committee chair should attend the annual general meeting to answer shareholder questions on the committee's activities.

12. Authority

The committee is authorised to:

- 12.1 carry out all duties and responsibilities set out in these terms of reference;
- 12.2 seek any information it requires from any employee of the company in order to perform its duties;
- 12.3 obtain, at the company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so.

13. Other matters

- 13.1 The committee shall 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.
- 13.2 The committee shall have access to sufficient resources to discharge its responsibilities, including access to the company secretary for assistance as required.
- 13.3 In carrying out its functions, the committee shall give due consideration to relevant UK laws and professional and regulatory requirements, including the UK Listing Authority's Listing Rules and Disclosure and Transparency Rules and the UK Corporate Governance Code and applicable guidance issued.
- 13.4 The committee will work and liaise as necessary with all other board committees.
- 13.5 The committee shall review, on a regular basis, its own performance 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.

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