



## **ACCSYS TECHNOLOGIES PLC (the "Company")**

### **NOMINATION COMMITTEE TERMS OF REFERENCE**

#### **1. CONSTITUTION**

- 1.1 The nomination committee (**Committee**) was constituted as a committee of the board of directors (**Board**) of the Company at a full meeting of the Board held on 21 March 2019 in accordance with the articles of association of the Company. The Committee shall be a standing committee of the Board.
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation, the establishment of sub-committees which are to report back to the Committee or Board as required.

#### **2. ROLE**

The role of the Committee is to:

- 2.1 Ensure that there is a formal, rigorous and transparent procedure for appointments to the Board.
- 2.2 Lead the process for appointments and make recommendations to the Board.
- 2.3 Assist the Board in ensuring its composition is regularly reviewed and refreshed, taking into account the length of service of the Board as a whole, so that it is effective and able to operate in the best interests of shareholders.
- 2.4 Ensure plans are in place for orderly succession to positions on the Board, the Company Secretary and the Executive Committee members.
- 2.5 Oversee the development of a diverse pipeline for succession.
- 2.6 Work and liaise with other Board committees, as appropriate, including the remuneration committee in respect of any remuneration package to be offered to any new appointee of the Board.

### **3. DUTIES AND TERMS OF REFERENCE**

#### **3.1 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 account of the Company's strategic priorities and the matters affecting the Company in paragraph (I) below, and make recommendations to the Board with regard to any changes;
- (b) give full consideration to succession planning for Directors and Executive Committee members in the course of its work, taking into account the challenges and opportunities facing the Company, the skills and expertise needed on the Board and Executive Committee in the future and the length of service of the Board as a whole and the need for its membership to be regularly refreshed;
- (c) oversee the development of a diverse pipeline for succession, having regard to diversity of gender, social and ethnic backgrounds, cognitive and personal strengths;
- (d) be responsible for identifying and nominating, for the approval of the Board, candidates from diverse backgrounds to fill Board vacancies as and when they arise;
- (e) 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:
  - (i) use such methods as it deems appropriate, including open advertising or the services of external advisers to facilitate the search;
  - (ii) consider candidates from a wide range of backgrounds;
  - (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, and cognitive and personal strengths, taking care that appointees have enough time available to devote to the position;
- (f) for the appointment of a Chairman, the Committee should prepare a job specification, including the time commitment expected;
- (g) 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, or other significant external commitments and be required to report any future business interests that could result in a conflict of interest;

- (h) consider and, if appropriate, authorise situational conflicts of interest of Directors and potential Directors;
- (i) keep under review potential conflicts of interests of Directors disclosed to the Company and develop appropriate processes for managing such conflicts if the Committee considers this to be necessary;
- (j) keep under review the number of external appointments and significant external commitments held by each Director;
- (k) keep under review the leadership needs of the organisation, relating to both the Board and Executive Committee members, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- (l) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (m) prepare a policy on the promotion of diversity and inclusion on the Board and in senior management;
- (n) assist with the implementation of an annual evaluation process (with consideration of periodic external evaluations) 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, how the Board works together as a unit, and other factors relevant to the Board's effectiveness;
- (o) review the results of the Board performance evaluation process that relate to the composition of the Board;
- (p) review annually the time required from Non-Executive Directors and assess (by way of performance evaluation) whether the Non-Executive Directors are spending sufficient time to fulfil their duties;
- (q) 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 the induction process; and
- (r) work and liaise as necessary with other Board committees.

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

- (a) formulating plans for orderly succession for both Directors, and in particular for the key roles of Chairman and Chief Executive Officer, as well Executive Committee members;
- (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 chairmen 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 "rotation of directors" 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, the length of service of the Board as a whole and the need for progressive refreshing of the Board;
- (f) any matters relating to the continuation in office of any Director at any time including their suspension, termination, retirement, non-reappointment or any substantial change in their duties or responsibilities subject to the provisions of the law and their service contract or letter of appointment; and
- (g) the appointment of a Director to executive or other office.

3.3 The Committee shall consider such other matters as may be requested by the Board and work and liaise as necessary with all other Board committees.

#### **4. MEMBERSHIP**

4.1 The Committee shall have at least three members.

4.2 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.

4.3 The Board shall appoint the chairperson of the Committee who should be either the Chairman of the Company or an independent Non-Executive Director. In the absence of the Committee chairperson and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting (provided such person would qualify under these terms of reference) to be appointed to that position by the Board. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chairmanship.

4.4 Appointments to the Committee shall be for a period of up to three years, which may be extended (usually for no more than two additional three-year periods) provided the members continue to be independent.

4.5 A quorum shall be any two independent Non-Executive Director members of the Committee.

## **5. VOTING ARRANGEMENTS**

- 5.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 5.2 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.
- 5.3 Save where he or she has a personal interest, the chairperson will have a casting vote.

## **6. ATTENDANCE AT MEETINGS**

- 6.1 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.
- 6.2 Only members of the Committee have the right to attend a Committee meeting but other Directors, the Company Secretary, the head of human resources or external advisers may be invited to attend all or part of any meeting as and when appropriate.
- 6.3 The Company Secretary shall be the secretary of the Committee, and shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.4 The Committee chair may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

## **7. NOTICE OF MEETINGS**

- 7.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the chairperson of the Committee.
- 7.2 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, any other person required to attend and all other Non-Executive Directors no later than five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and other attendees (as appropriate) at the same time.

## **8. AUTHORITY**

- 8.1 The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to obtain, at the Company's expense, legal or 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. The Committee shall have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.

## **9. REPORTING**

- 9.1 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.
- 9.2 Draft minutes of each meeting will be circulated to all members of the Committee within ten working days of the date of the meeting. Once approved, the minutes of each meeting will be circulated to all other members of the Board unless, in the opinion of the Committee chairperson, it would be inappropriate to do so.
- 9.3 The chairperson of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.4 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.5 The Committee shall produce a report to be included in the Company's annual report which shall include:
- (a) its activities, the membership of the Committee, number of meetings and attendance over the course of the year;
  - (b) the process used to make appointments, its approach to succession planning and how both support developing a diverse pipeline;
  - (c) 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 or any individual Director;
  - (d) 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, and the gender balance of Executive Committee members;

- (e) how the Board evaluation has been conducted, the nature, identity 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
- (f) a statement about any other connection any external evaluator has with the Company or individual Directors.

## **10. GENERAL MATTERS**

10.1 The chairperson of the Committee should be available at each Annual General Meeting of the Company to answer questions concerning the Committee's work.

10.2 The Committee shall:

- (a) ensure, through the Chair of the Board, that the Company maintains contact and the Committee chair seeks engagement, as required, with the Company's major shareholders on significant matters related to the Committee's areas of responsibility; and
- (b) make publicly available these terms of reference by placing them on the Company's website.

10.3 The Committee shall arrange for annual reviews of its own performance and, at least once a year, review its constitution, membership and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

10.4 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 and ensure that they are fully informed about the Company's main areas of business activity, including those involving significant risk, and the strategic priorities and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a Director.

10.5 The Committee shall consider any training requirements for the Board as a whole.

10.6 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.

10.7 The Committee shall give due consideration to all laws and regulations as appropriate.

Adopted at the board meeting of the Company on 11 November 2019.