

Nomination Committee
Terms of Reference
December 2020

Contents

1. Membership.....	2
2. Secretary	2
3. Quorum.....	3
4. Frequency of Meetings	3
5. Notice of Meetings.....	3
6. Minutes of the Meetings	3
7 Annual General Meeting.....	3
8. Duties	3
9. Reporting Responsibilities	6
10. Other	6
11. Authority	6
12. Approval	6

Reference to “the Committee” shall mean the Nomination Committee.

Reference to “the Board” shall mean the Board of Directors.

Reference to “the Code” shall mean The UK Corporate Governance Code

1. Membership

- 1.1 Members of the Committee shall be appointed by the Board and shall be made up of at least 3 members, the majority of whom shall be independent non-executive directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Director responsible for Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods provided that the majority of the Committee members remain independent.
- 1.4 The Board shall appoint the Committee Chairman who should be 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 their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position. The Chairman of the Board shall not chair the committee when it is dealing with the matter of succession to the chairmanship.

2. Secretary

- 2.1 The Company Secretary or his or her nominee shall act as the Secretary of the Committee.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be 3 of whom 2 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.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require. Meetings may be convened by telephone when necessary.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairman of the Committee.
- 5.2 Unless otherwise agreed, 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, and any other person required to attend, no later than 5 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.

6. Minutes of the Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

7 Annual General Meeting


- 7.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

The Committee should carry out the duties below for the parent company, any major subsidiary undertakings and the group as a whole, as appropriate.

- 8.1 The Committee shall:

- 8.1.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;

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- 8.1.2 give full consideration to succession planning for directors and other senior executives 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 in the future;
 - 8.1.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies¹ as and when they arise;
 - 8.1.4 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:
 - (a) use open advertising or the services of external advisers to facilitate the search;
 - (b) consider candidates from a wide range of backgrounds; and
 - (c) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position;
 - 8.1.5 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;
 - 8.1.6 keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
 - 8.1.7 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;
 - 8.1.8 for the appointment of the Chairman, the Committee should prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairman's commitments should be reported to the Board as they arise; and
 - 8.1.9 prior to the appointment of a director, the Committee should obtain details of and review any interests the proposed appointee may have (i) which conflict or may conflict with the interests of the Company or (ii) in transactions or arrangements which he proposes to enter (or has entered) into with the Company or (iii) which could impair the independence of the proposed

¹ For the position of Company Secretary, as and when a vacancy arises, the Committee shall agree a process, led by the CEO, to identify and nominate a candidate to the Board for approval.

appointee (eg if he/she sits on other boards with existing Directors). The Committee shall;

- (a) 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;
- (b) as part of any proposal to the Board for appointment explain these grounds and make recommendations as to the terms and conditions on which any authorisation of conflict should be given by the Board;
- (c) review on a bi-annual basis any authorisation given by the Board;
- (d) ensure that each of the directors are briefed by the Company Secretary on (i) the duty to avoid conflicts of interest and (ii) to disclose without undue delay to him any future business interest that could result in a conflict of interest

8.1.10 the Committee shall review the results of the Board performance evaluation process that relate to the composition of the Board.

8.1.11 the Committee shall support the Board in its leadership of the Diversity and Inclusion agenda by recommending strategy in this area, setting measurable objectives, and monitoring progress.

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

8.2.1 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;

8.2.2 suitable candidates for the role of senior independent director;

8.2.3 membership of the Audit & Risk and Remuneration Committees, in consultation with the chairmen of those committees;

8.2.4 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;

8.2.5 the re-election by shareholders of directors under the annual re-election provisions of the Code or the retirement by rotation provision in the Company's articles of association. Having due regard to their performance and ability to continue to contribute to the Board in light of their knowledge, skills and experience required and the need for the progressive refreshing of the board (particularly in relation to directors being re-elected for a term beyond six years);

8.2.6 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

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

9. Reporting Responsibilities

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.
- 9.4 The Committee shall report twice annually on progress towards achieving the objectives set to achieve the Board's Delivery and Inclusion strategy.

10. Other

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 10.2 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;
- 10.3 give due consideration to laws and regulations, the provisions of the Code and requirements of the UK Listing Authority's Listing Prospectus and Disclosure and Transparency Rules and any other laws, as appropriate; and
- 10.4 The Committee shall, at least once per year, review its own performance, 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.

11. Authority

- 11.1 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 11.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice.

12. Approval

- 12.1 This terms of reference was approved by the board of Jersey Electricity plc on 17 December 2020.