

## CITY OF LONDON GROUP PLC (“COLG” or “the Company”)

### NOMINATION COMMITTEE

#### TERMS OF REFERENCE

##### **Purpose**

The City of London Group Plc Board (the ‘Board’) has established the Nomination Committee (the ‘Committee’) as a sub-committee of the Board with the overarching purpose to lead the process for new Board appointments (both Executive and Non-Executive), ensure plans are in place for orderly succession to both the Board and senior management positions, and make recommendations and oversee the development of a diverse pipeline for succession to the Board and the Senior Management.

##### **Membership**

1. **Composition:** The Committee shall be appointed by the Board. The Committee shall comprise of at least two independent non-executive directors of the Board, and one executive director.

The Committee Chair shall be the Chair of the Board. In the absence of the committee chair, the remaining members present shall elect one of themselves to chair the meeting. The chair of the board shall not chair the committee when it is dealing with the matter of succession of the chair of the board.

Only members of the Committee have the right to attend Committee meetings, however, other individuals may be invited to regularly attend all or part of the meeting, such as external advisers as and when the Committee feels it is appropriate and necessary.

2. **Secretary:** The COLG Company Secretary, or their nominee, shall act as the secretary to the committee with the agreement of the committee chair.

##### **Meetings**

3. **Quorum:** The quorum necessary for the transaction of business shall be two. 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. In the absence of the Chair, the other Members shall elect a Chair (to be an independent non-executive director) for the meeting from amongst their number.
4. **Place:** Meetings may be held by conference call or by electronic means, so long as those present can hear each other and contribute simultaneously to the meeting.
5. **Frequency:** Meetings shall be held at least once a year and at such other times as the chair of the committee shall decide.
6. **Notice:** Meetings of the Committee shall be convened by the Secretary at the request of any of its Members. Notice of each meeting shall be provided to each Member in good time and confirm the venue, date and time together with any agenda items to be discussed. Supporting papers where appropriate, shall be circulated to the each

Member no later than five working days before the meeting to enable proper consideration of reports and issues.

7. **Minutes:** The secretary shall minute proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance, prepare and circulate minutes to the Chair in a timely manner and after approval by the Chair, circulate promptly to all Members of the Committee, unless it would be inappropriate to do so in the opinion of the Committee Chair.
8. **Annual general meeting**

The committee chair should attend the annual general meeting to answer any shareholder questions on the committee's activities. In addition the committee chair should seek engagement with shareholders on significant matters related to the committee's areas of responsibility.
9. **Annual Review:** The Members shall conduct an annual review of their effectiveness, and these terms of reference, to reflect best practice and make recommendations to the main Board for ratification. This includes ensuring that the Members are up to date with any relevant regulatory changes.
10. **Reporting:** The Chair shall report formally to the Board on its proceedings after each meeting on matters within its duties and responsibilities and elevate any matter in the remit of the Committee to the Board where they feel it is appropriate to do so.

A separate section of the annual report shall describe the work of the Committee in discharging its responsibilities, which shall include:

  - a. The process used in relation to appointments, its approach to succession planning, and how both support a diverse pipeline;
  - b. The policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives; and
  - c. The gender balance of those in the senior management and their direct reports.
11. **Resources:** The Committee shall be provided with sufficient resources to undertake its duties.
12. **Advice:** The Committee is authorised by the Board to obtain outside legal, accounting or other independent professional advice and to secure the attendance at meetings of outsiders with relevant experience and expertise, if it reasonably considers this necessary, at the Company's expense.
13. **Support:** The Committee shall have access to the services of the Company Secretary on all Committee matters, including assisting the Chair in planning the Committee's work, drawing up meeting agendas, preparation and maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information, conducting the Committee evaluations and provision of any necessary practical support.

14. **Investigation:** The Committee is authorised by the Board to investigate any activity within the scope of its duties and to intervene if the Committee considers it appropriate and if the Board instructs it to do so.
15. **Information:** The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
16. **Reports:** The Committee shall have full authority to commission or purchase any relevant report, survey or information which it deems necessary to help it fulfill its obligations.
17. **Diversity:** The Company's policy on diversity and any objectives set shall be a matter for the full Board.

### **Responsibilities & Key Functions**

18. The Committee is responsible for :
  - a. Regularly and at least annually reviewing the structure, size and composition of the Board and Committees of the Board and make recommendations to the Board with regard to any changes; including to ensure that the Board decision making is not dominated by any one individual or small group of individuals in a manner that is detrimental to the interests of the Company as a whole;
  - b. Acting on the results of performance evaluations of the Board and its Committees which are to take place at least annually; and make recommendations to the Board for changes, as required, including the nomination of any Senior Independent Director (if appropriate);
  - c. Reviewing annually the time required from the Chairman and Non-Executive directors and assess whether they are spending enough time to fulfil their duties;
  - d. Evaluating the individual performance of directors each year in preparation for the Board's recommendation of directors to be re-appointed by shareholders at each Annual General Meeting;
  - e. Managing the process for the appointment of new directors to the Board, identifying and nominating candidates to fill Board vacancies, as and when they arise. In so doing:
    - The Committee shall make final recommendations on Board appointments but only the full Board has the power to effect the appointment (or termination of appointment) of any director.
    - The Committee shall draw up a formal written description of the role and capabilities required for each particular appointment, including, for the appointment of a Chair or Non-Executive Director, the time commitment expected.
    - The Committee shall take into account the balance of skills, knowledge, background and experience on the Board and its diversity as well as the individual skills and experience necessary for the role in recommending any appointment to the Board. This shall include putting in place policies promoting Board diversity and gender representation.

- The Committee shall operate a transparent process for identifying suitable candidates. This may include open advertising or the use of head hunters or other external specialist advisers to facilitate the search.
  - The Committee shall aim to generate interest from candidates from a wide range of backgrounds and shall consider candidates on merit, against the objective criteria specified in the role description and with due regard for the provisions of the Equality Act 2010.
- f. Keeping under periodic review the leadership needs of the Company, including the policy of the Board for the selection and appointment of senior management, with a view to ensuring the continued ability of the Company to compete effectively in their relevant marketplace;
- g. Receiving reports on any changes at Management level;
- h. Monitoring succession planning for both the Board and Management taking into account the challenges and opportunities facing the Company and the skills and expertise likely to be needed in future;
- i. Ensuring that steps are being taken to identify, promote and develop talent within the business in order to build a pipeline of leaders who could potentially succeed to senior positions;
- j. Ensuring 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;
- k. Considering and make recommendations to the Board about the extension of appointment of any non-executive director at the conclusion of their initially specified term of office, giving due regard to individual performance and ability to continue to contribute to the Board and the need for progressive refreshing of the Board;
- l. Considering and make recommendations to the Board on any matter relating to the continuation in office of any director at any time, including the suspension or termination of service of any director; and
- m. Working and liaise as necessary with other Board Committees, in particular the Remuneration Committee when determining the terms on which any new appointment shall be made or in approving changes to the terms of any director's service agreement.

**Adopted on 20 May 2020**