



Head Office  
Central House, Beckwith Knowle  
Otley Road, Harrogate  
North Yorkshire HG3 1UD

## Vp PLC

### NOMINATION COMMITTEE – TERMS OF REFERENCE

Approved by the Board on 29 May 2024

Reference to 'the Code' shall mean the UK Corporate Governance Code, published by the Financial Reporting Council in July 2018 (as amended from time to time)  
Reference to 'the Committee' shall mean the Nomination Committee  
Reference to 'the Board' shall mean the Board of Directors of Vp plc

---

#### I DUTIES

- I.1 To identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- I.2 Before appointment is made by the Board, the Nomination Committee should:
- evaluate the balance of skills, knowledge, experience, independence and diversity on the Board and the future challenges affecting the Company;
  - prepare a description of the role, capabilities and time commitment required for a particular appointment;
  - consider candidates from a wide range of backgrounds;
  - consider candidates on merit, against objective criteria and with due regard to promoting the benefits of diversity on the Board, including of gender, social and ethnic backgrounds, taking care that appointees have enough time available to devote to the position; and
  - recommend such remuneration package as it believes to be appropriate for recruitment of an executive director to the Remuneration Committee for its approval prior to the appointment. Remuneration arrangements for non-executive directors shall be a matter requiring full Board approval.
- I.3 To keep under review the Board's structure, size and composition (including the skills, knowledge, experience and diversity) compared to its current position and make recommendations with regard to any changes.
- I.4 To give consideration to proposals for succession planning for directors and other senior executives, taking into account the challenges and opportunities facing the Group, and what skills and expertise are therefore needed on the Board in the future.



Head Office  
Central House, Beckwith Knowle  
Otley Road, Harrogate  
North Yorkshire HG3 1UD

- 1.5 To review annually the time required from non-executive directors, and to assess whether the non-executive directors are spending enough time to fulfil their duties.
- 1.6 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 market place.
- 1.7 To 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.
- 1.8 To keep under review the number of external appointments held by each director.
- 1.9 To make recommendations to the Board covering:
  - plans for succession for both executive and non-executive directors taking into account the challenges and opportunities facing the Group, and what skills and expertise are therefore likely to be needed by the Board in the future;
  - the re-election by shareholders of any director under the 'retirement by rotation' provisions in the Company's articles of association and under the annual re-election provisions of the Code having regard to their performance and ability to continue to contribute to the Board and the Company's long-term sustainable success, in the light of the knowledge, skills and experience required and the length of service of the Board as a whole and its membership being regularly refreshed;
  - the reappointment of any Non-Executive Directors on expiry of their term of office (with particular regard to any term exceeding 6 years) having regard to their performance and ability to continue to contribute to the Board and the Company's long-term sustainable success, in the light of the knowledge, skills and experience required and the length of service of the Board as a whole and its membership being regularly refreshed;
  - any matters relating to the continuation in office of any director at any time; and
  - the appointment of any director to executive or other office, the recommendation for which would be considered at a meeting of the full Board.
- 1.10 Require the proposed appointee to disclose (prior to appointment) any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest, noting that such business interests must not be undertaken without prior approval by the Board.



Head Office  
Central House, Beckwith Knowle  
Otley Road, Harrogate  
North Yorkshire HG3 1UD

- 1.11 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.
- 1.12 At all times take care to minimise the risk of any conflict of interest within the Committee that might be seen to give rise to an unacceptable influence.
- 1.13 Instruct the secretary of the Committee to ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 1.14 To give due consideration to all relevant laws and regulations, in particular, the directors' duties in the Companies Act 2006, the provisions of the Code and associated guidance and the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority and any other applicable rules, as appropriate.

## **2 MEMBERSHIP AND MEETINGS**

- 2.1 The Committee shall be appointed by the Board and shall be made up of at least three members, including the Chairman of the Board, the majority of whom should be independent non-executive directors.
- 2.2 A quorum necessary for the transaction of business shall be two members, including the Chairman and an independent non-executive director. 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
- 2.3 The Board shall appoint the Committee Chairman who should normally be the Chairman of the Board or another independent non-executive director. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- 2.4 Appointments to the Committee shall be for a period of up to three years, such period being extendable by additional three year periods at the discretion of the Committee, so long as members continue to be independent and meet the criteria for membership of the Committee.
- 2.5 The Committee Chairman shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
- 2.6 The Committee shall appoint a Secretary to the Committee.
- 2.7 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.



Head Office  
Central House, Beckwith Knowle  
Otley Road, Harrogate  
North Yorkshire HG3 1UD

2.8 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance. Minutes of Committee meetings shall be circulated promptly to all members of the Board.

2.9 The Committee will make publicly available these terms of reference by placing them on the Company's website, setting out its delegated responsibilities, which should be reviewed and where necessary, updated annually.

### **3 REPORTING**

3.1 To describe the work of the Committee in the Annual Report, including the process used in relation to Board appointments. This section should include any matters required by the Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority, such as:

- its activities, the membership of the Committee, number of meetings and attendance over the course of the year;
- the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline;
- 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;
- the gender balance of those in the senior management and their direct reports;
- 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 how it has or will influence board composition;
- explanation where an external search consultancy has not been used in the appointment of a chairman or non-executive director; and
- where used, details of the external search consultancy and a statement as to whether it has any other connection with the Company or individual directors.

3.2 The Committee shall report formally to the Board on its proceedings and shall make whatever recommendations to the Board it deems appropriate on any area within its remit.

### **4 OTHER MATTERS**

The Committee shall:



Head Office  
Central House, Beckwith Knowle  
Otley Road, Harrogate  
North Yorkshire HG3 1UD

- 4.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 4.2 be provided with such training as may reasonably be required, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 4.3 oversee any investigation of activities which are within its terms of reference; and
- 4.4 at least once a year, review its own performance, constitution and terms of reference to ensure it is operating effectively within the context of the Group's requirements and recommend any changes it considers necessary to the Board for approval.

## **5 AUTHORITY**

- 5.1 The Committee shall employ such internal resources and external consultants as it thinks fit and is authorised to incur such expenses as appropriate in carrying out its duties.
- 5.2 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties, after informing the Chief Executive of its intention to do so. It would normally channel such enquiries through the Chairman of the Board.