

# ENQUEST PLC

(THE "COMPANY")

## TERMS OF REFERENCE OF THE NOMINATION COMMITTEE (THE "COMMITTEE")

(Approved at a meeting of the board of directors (the "Board")  
held on 30 January 2019)

### 1. TERMS OF REFERENCE TO BE MADE AVAILABLE

The Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board. (The requirement to make this information available would be met by making such information available on request and including these terms of reference and such explanation on the Company website).

### 2. MEMBERSHIP

2.1 The members of the Committee shall be appointed by the Board and shall consist of at least three members.

2.2 A majority of members of the Committee shall be independent non-executive directors.

2.3 The Board shall appoint the chairman of the Committee who shall be either the chairman of the Board or an independent non-executive director. In the absence of the appointed chairman of the Committee 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 by the Board.

2.4 If the person chosen as chairman of the Committee is the chairman of the Board, then he/she should not chair the Committee when it is dealing with the matter of succession to the chairmanship of the Board.

2.5 In deciding chairmanship and membership of the Committee, the value of ensuring that Committee membership is refreshed and that undue reliance is not placed on particular individuals should be taken into account. Appointments to the Committee shall be for a period of up to three years, which may be extendable for two further three-year periods provided that the majority of the Committee remains independent.

### 3. SECRETARY

The Company secretary or his or her nominee shall act as the secretary of the Committee. The secretary will keep a record of the membership of the Committee and of the dates of changes to the membership.

### 4. MEETINGS

4.1 **Frequency:** The Committee shall meet not less than twice a year and at such other times as the chairman of the Committee shall require.

4.2 **Right to attend:** No one other than the Committee chairman and its members is entitled to be present at a meeting of the Committee but others (such as, for example, the, HRD and external advisers) may attend for all or any part of the meeting at the invitation of the Committee.

4.3 **Notice:** Meetings of the Committee shall be summoned by the secretary of the Committee at the request of the chairman of the Committee. 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 invited to attend no fewer than 5 working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

- 4.4 **Quorum:** The quorum necessary for the transaction of business of the Committee shall be 2 both of whom 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.
- 4.5 **Minutes:** The secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and to the chairman of the Board and, once agreed, made available on request to other members of the Board, unless a conflict of interest exists.
- 4.6 **Formal reporting to the Board:** The Committee chairman shall report formally to the board on proceedings after each meeting of the Committee on all matters within its duties and responsibility.

## 5. **ANNUAL GENERAL MEETING**

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

## 6. **DUTIES**

The Committee members are reminded of the overarching duties that they have as directors of the Company under the Companies Act 2006. In addition, they have the following specific duties as regards their membership of the Committee. In carrying out these duties, members of the Committee may also choose to consult the UK Corporate Code of Governance (the "Code"). A copy of the Code, should members wish to consult it, can be obtained from the Company secretary.

- 6.1 The Committee shall:

### **As regards general:**

- (a) lead the process for Board appointments and make recommendations to the Board;
- (b) regularly review the structure, size and composition (including the skills, experience, independence, knowledge and diversity) of the Board and its Committees, taking account of the Company's strategic priorities and the matters affecting the Company and make recommendations to the Board with regard to any changes deemed necessary;
- (c) keep under review the leadership needs of the Company, relating both to the Board and senior management, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- (d) keep up to date and fully informed about strategic issues and commercial changes affecting the long-term success and future viability of the Company and the market in which it operates;
- (e) review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.

**As regards appointments:**

- (f) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- (g) before any appointment is made, evaluate the balance of skills, knowledge and experience 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 open advertising or the services of external advisers to facilitate the search;
  - (ii) consider candidates from a wide range of backgrounds;
- (h) consider candidates on merit and against objective criteria and with due regard for promoting 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; ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them and in terms of time commitment, committee service and involvement outside Board meetings. This letter of appointment containing the terms and conditions of appointment of any non-executive director should be made available for inspection by any person at the Company's registered office during normal business hours and at the Company's annual general meeting (for 15 minutes prior to, and during, the meeting);

**As regards the appointment of the chairman of the Board:**

- (i) for the appointment of chairman of the Board, prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises. (A candidate's other significant commitments should be disclosed to the Board before appointment (and also included in the annual report);

**As regards conflicts:**

- (j) as requested from time to time by the Company secretary or his or her nominee, to consider all matters relating to directors and conflicts of interests with the Company including, but not limited to, new potential or actual situations that may lead to a conflict and existing situations where circumstances may have changed or be about to change, and to make recommendations to the Board as to the authorisation the Board may or may not choose to give pursuant to section 175 of the Companies Act 2006;

**As regards disclosure:**

- (k) make available its terms of reference explaining clearly its role and the authority delegated to it by the Board;

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

**As regards general:**

- (a) any area within its remit where action or improvement is needed;

**As regards appointments:**

- (b) the appointment of any director to executive or other office;

- (c) suitable candidates for the role of senior independent directors;

**As regards audit and remuneration committee membership:**

- (d) the membership of the Audit and Remuneration Committees, in consultation with their chairmen;

**As regards succession planning:**

- (e) plans for orderly succession for executive, non-executive directors and senior management (and in particular for the key roles of chairman and chief executive) and to this end, in the course of its work, give full consideration to succession planning with regard to both Board and senior management appointments, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;

**As regards re-appointments:**

- (f) the re-appointment of any non-executive director at the conclusion of his or her specified term of office, having due regard to their performance and ability to contribute to the Board in the light of the balance of knowledge, skills and experience required;
- (g) the re-election by shareholders of any director under the "retirement by rotation" provisions in the Company's articles of association, having due regard to their performance and ability to contribute to the Board in the light of the balance of knowledge, skills and experience required;
- (h) any matters relating to the continuation in office as a director of any director at any time including the suspension or termination of service of an executive director as employee of the Company, subject to the provisions of law and their service contract;

**As regards reporting and disclosure:**

- (i) the statement required to be included in a separate section of the annual report of the Company (i) describing the work and activities of the Committee, (ii) describing the process used in relation to Board appointments, (iii) its approach to succession planning and how both support developing a diverse pipeline and (iv) providing an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chairman or non-executive director;
- (j) the statement required to be included in the annual report of the Company identifying the membership of the Committee, number of Committee meetings held and attendance of individual directors over the course of the year
- (k) 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 and the gender balance of those in senior management and their direct reports; and
- (l) the statement required to be included in the annual report describing how annual performance evaluation of the board, its committees and individual directors has been conducted.

**7. ANNUAL REVIEW**

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

8. **REPORTING RESPONSIBILITIES**

8.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

8.2 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. **AUTHORITY**

9.1 The committee is authorised to undertake such work as is necessary to make recommendations to the Board.

9.2 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties, as well as to require the attendance at any of its meetings of any director or member of management. All employees are expected to co-operate with requests made by the Committee.

9.3 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference which includes authorisation to employ the services of search consultants.

10. **ULTIMATE DECISIONS**

It is the job of the Committee to "lead the process for board appointments, ensure plans are in place for orderly succession to both the board and senior management positions, and oversee the development of a diverse pipeline for succession". The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations it deems appropriate on any area within its remit. All evaluations, reviews and decisions of the Committee made in respect of appointments to the Board shall be referred to the Board and shall take effect only upon approval thereof by resolution of the Board in accordance with the Company's articles of association.