

Hammerson plc

Nomination Committee Terms of Reference

Members	David Tyler (Chair) Gwyn Burr Pierre Bouchut Andrew Formica Judy Gibbons Carol Welch
Secretary	Sarah Booth
By invitation	Chief Executive Group HR Director

**1. Purpose**

- 1.1 The purpose of the Nomination Committee (the Committee) is to review the composition of the Board, succession planning for the directors and other senior executives, and promote diversity throughout the Company, and make recommendations for appointments and re-appointments to the Board.

**2. Membership**

- 2.1 The Committee shall comprise at least three members. A majority of the members of the Committee shall be independent non-executive directors. Members of the Committee shall be appointed by the Board.
- 2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Group HR Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.3 Appointments to the Committee shall be for an initial period of up to three years, which may be extended by no more than two additional three year periods, provided the director still meets the criteria for membership of the Committee.
- 2.4 The Board shall appoint the Committee Chair who should be either the Chair of the Board or an independent non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Board shall not chair the Committee when it is dealing with the matter of a successor to the Chair of the Board.

### **3. Secretary**

- 3.1 The General Counsel and Company Secretary or her nominee shall act as the Secretary of the Committee.

### **4. Quorum**

- 4.1 The quorum necessary for the transaction of business shall be two members 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.

### **5. Meetings**

- 5.1 The Committee shall meet at least twice a year and as otherwise required. A member of the Committee may request a meeting if it is considered necessary.

### **6. Notice of Meetings**

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be made available to each member of the Committee, any other person required to attend and all other non-executive directors, five working days before the date of the meeting or such other reasonable time considered adequate for the appropriate preparation for the business of the meeting. Supporting papers shall be made available to Committee members and to other attendees as appropriate, at the same time.

### **7. Minutes of Meetings**

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

### **8. Engagement with Shareholders**

- 8.1 The Committee Chair shall attend the Annual General Meeting to make a statement and answer any shareholder questions on the Committee's activities and achievements over the year.
- 8.2 The Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility, in particular Board refreshment, succession planning and diversity.

## 9. Duties

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

The Committee shall:

### 9.1 *Composition of the Board*

- (a) Regularly review the structure, size and composition, including the balance of skills, personal attributes, knowledge, experience, independence and diversity, of the Board and make recommendations to the Board with regard to any changes;
- (b) review the results of the Board and Committee performance evaluation process and use these to inform its review of the composition of the Board;
- (c) 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; and
- (d) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.

### 9.2 *Succession Planning*

- (a) Give full consideration on an annual basis to succession planning for directors and other senior executives, taking into account the challenges and opportunities facing the Company and its strategic priorities, the skills and expertise needed on the Board in the future, and the need to have a diverse pipeline for succession;
- (b) formulate plans for succession for recommendation to the Board for both executive and non-executive directors and in particular for the key roles of Chair of the Board (which would be considered at a meeting of all directors) and Chief Executive (which would be considered at a meeting of all non-executive directors and such executive directors as the Committee believes appropriate); and
- (c) note recommendations from the Company regarding talent management and succession within the Group as a whole.

### 9.3 *Diversity*

- (a) Develop a formal policy on the approach to diversity in respect of the Board for the approval by the Board and publication on the Company's website;
- (b) work with HR to set and meet diversity objectives and strategies for the Group as a whole and monitor the impact of diversity initiatives; and
- (c) review annually the Group's equal pay and gender pay gap statistics.

#### 9.4 *Appointments to the Board*

- (a) Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- (b) before any appointment is made to the Board, evaluate the balance of skills, personal attributes, knowledge, experience and diversity on the Board and future challenges affecting the Company, and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment including the time commitment required;
- (c) agree the process to be used for identifying, sifting and interviewing suitable candidates for appointments to the Board. In identifying 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, ensuring that the interview process does not disadvantage candidates with diverse backgrounds;
  - iii. consider candidates on merit and against objective criteria, and with due regard for the benefits of diversity on the Board, including diversity of gender, of social and ethnic backgrounds, and of cognitive and personal strengths;
  - iv. ensure that appointees have enough time available to devote to the position; and
  - v. assess the candidate's suitability in relation to the Company's values and expected behaviours;
- (d) prior to the appointment of a director, require the proposed appointee to disclose other significant commitments with an indication of the time involved.
- (e) prior to the appointment of a director, require the proposed appointee to disclose any business interests or other factors that may result in a conflict of interest or, for non-executive directors, impair their independence, and to report any future changes to the Board; and
- (f) 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.

## 9.5 *Re-appointments to the Board*

- (a) 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;
- (b) recommend to the Board 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 light of the knowledge, skills and experience required and the length of term served;
- (c) recommend to the Board the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code, having given due regard to their performance and ability to continue to contribute to the Board and the long term sustainable success of the Company, in light of the knowledge, skills and experience required and the need for progressive refreshing of the; and
- (d) make recommendations to the Board on 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.

## 9.6 *Board Roles*

- (a) Recommend to the Board suitable candidates for the role of senior independent director; and
- (b) recommend to the Board membership of the Audit and Remuneration Committees, and any of the Board committees as appropriate, in consultation with the Chairmen of those Committees.

## 9.7 *Annual HR Report*

- (a) Review the annual HR report.

## 10. **Reporting responsibilities**

- 10.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

- 10.3 The Committee shall produce a report to be included in the Company's annual report. The report shall cover a description of the work of the Committee including:
- (a) identifying any external search consultancy engaged alongside a statement about any other connection the consultancy has with the Company or individual directors;
  - (b) the process used in relation to appointments, the approach taken to succession planning, and how both support developing a diverse pipeline;
  - (c) the policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives;
  - (d) the gender balance of the members of the Group Executive Committee and their direct reports;
  - (e) identifying any external evaluator engaged to conduct the annual evaluation of the performance of the Board, its committees, the chair and individual directors alongside a statement about any other connection the evaluator has with the Company or individual directors; and
  - (f) 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.
- 10.4 The Committee shall make available on the Company's website its terms of reference explaining clearly its role and the authority delegated to it.

## 11. Other Matters

The Committee shall:

- 11.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;
- 11.2 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;
- 11.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable Rules, as appropriate; and
- 11.4 arrange for periodic reviews of its own performance and, at least annually, review its constitution and Terms of Reference to ensure it is operating at maximum effectiveness and report such results and recommend any changes it considers necessary to the Board for approval.

## 12. Authority

- 12.1 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

Adopted by the Board on 30 January 2019 and updated on 1 March 2019 to reflect the appointment of Carol Welch