

## Board Appointment Process

Last approved by Board 5 December 2023

**Key Objective** – to recruit and onboard talent as quickly and efficiently as possible.<sup>1</sup>

### **Responsibility for Board Appointments**

The Nomination Committee to lead the process for all new Board appointments including for the appointment of the Chair of the Board or Chief Executive Officer (CEO), with close involvement from the Chair and Chief Executive Officer (CEO) as appropriate, following the Six Step Process set out below and supported by a skilled and experienced recruitment professional(s).

### **Six Step Process:**

1. **Needs Analysis** by Nomination Committee<sup>2</sup> to include:
  - a. Review of the Group's strategy and business.
  - b. Discussions with CEO, other Board members and other key stakeholders in the Group, as deemed necessary.
  - c. Review of the structure, size, diversity and composition of the Board, including an assessment of the "group dynamics" and personal interactions.
  - d. Evaluation of the balance of existing skills, experience, independence and knowledge on the Board (using the NED Expertise Matrix from Succession Planning).
  - e. Review of the Succession Plan.

Board or Nomination Committee then use the results of the Needs Analysis to resolve to approve the initiation of a Search.

2. **Profile and Timetable** - Nomination Committee to prepare a description of the role and the capabilities required for the new particular appointment, following these principles:
  - a. Gather input from multiple stakeholders, including the entire Board, the CEO and, in some instances, the Senior Executives and Senior Management team.
  - b. Create a detailed list of the criteria that the new Director should possess.
  - c. Work with recruitment professional(s) to create (i) a clearly defined Profile and (ii) Competency Matrix for scoring candidates against, distinguishing between qualities that are needed and those that are merely desirable. Profile and Matrix to be agreed by Committee members, Executive Directors and Company Secretary.
  - d. Consider what evidence will be looked for to show that the person has the attributes required.
  - e. Set timetable with target completion date and secure interview slots in the Chair, CEO and other diaries now.

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<sup>1</sup> All Directors must acknowledge the possible need for reactive behaviour, short lead times for calls and meetings and flexible diary management. Process needs to be fast so as to not lose good candidates.

<sup>2</sup> It is very important to have alignment around what is being sought from the very start.

3. **Search** - Committee to search for suitable candidates following these principles aimed at ensuring we have a large enough pool of candidates:
  - a. Consider use of open advertising - in the press and on our Company website.
  - b. The search is best co-ordinated by a recruitment professional with an excellent network and contacts, to bring together and manage the process. They must have a clear policy addressing diversity issues.
  - c. Seek recommendations from fellow Board members, business associates or trade organisations.
  - d. Seek to canvas candidates from as many sources as is both possible and practicable in order to broaden the search and ensure that the list is not confined to the persons that Board members already know and are friendly with.
  - e. Consideration of candidates from a wide range of backgrounds – consider and take advice on what specific steps can be taken to achieve this.
4. **Selection** - Identify Candidates by following these principles:
  - a. Draw up a wide list of candidates that meet some or most of the requirements of the profile. It is important to make it clear to candidates that there is no commitment to recommend them to the Board.
  - b. Recruitment professional carries out first stage interview to produce a longlist of diverse candidates of strong quality and experience and presents to Nomination Committee, Executive Directors and Company Secretary. Gender and ethnic diversity in the longlist to be recorded.
  - c. Nomination Committee to make an initial assessment of the suitability of each prospective candidate on the longlist by considering merit against objective criteria and:
    - i. assessing of background, skills and experience against the agreed Profile;
    - ii. scoring against the Competency Matrix; and
    - iii. having regard to the Group's DEI commitments and the benefits of diversity (including as to gender and ethnicity) on the Board.
  - d. Nomination Committee to determine if there are any candidates for removal due to conflicts of interest or independence issues or because they already sit on too many boards/do not have sufficient time available to devote to the position.
  - e. Nomination Committee to agree shortlist after steps c. and d. have been completed and to carry out detailed due diligence, to include:
    - i. interviews by Chair and CEO;
    - ii. careful assessment of track records, references and profiles of candidates;
    - iii. verification checks through alternative sources i.e. friends, bankers, business associates, etc.
  - f. All Nomination Committee members, CEO and CFO to meet with remaining candidates, unless Chair of Committee agrees otherwise. This is to be used as an opportunity for both sides to make assessments of character, commitment and fit.
  - g. Consider inviting candidates to spend some time at Group office to get a feel for the organisation.

5. **Nomination** – Upon completion of its assessment, Nomination Committee to discuss remaining candidates and unless the appointment is for the Chair of the Board or the CEO (see below), the Nomination Committee to recommend the best candidate to the Board for approval:
  - a. The Committee must only recommend a candidate that has indicated his or her willingness to serve as a Director and has agreed to comply, if elected, with the expectations and requirements of Board service.
  - b. The Board to consider and discuss. If, for any reason, the Board does not approve the Committee's recommendation, then the Committee will be asked to make another recommendation. However, if the Committee has followed a formal process, done due diligence and worked through all the steps, this is highly unlikely.
6. **Appointment and Induction** - Chosen candidate to be appointed by the Board and will then stand for election at the next AGM of Shareholders (shareholders to be provided with sufficient time and information on Board candidate to make a considered voting decision and Director to be present at the AGM at which they are being appointed to enable shareholders to put questions to them).
  - a. Executive Directors to be issued with a contract of employment detailing the terms of their employment and under whose supervision they will work.
  - b. Non-Executive Directors to be issued with a formal letter of appointment, written and signed by the CEO which clearly sets out what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.
  - c. Participation in a formal induction programme to be led by Group Company Secretary.

### **Appointing the Chair of the Board**

- (i) Senior Independent Director (**SID**) to lead the process.
- (ii) A proposed Chair's other significant commitments must be disclosed to the Board for consideration before appointment.
- (iii) The recommendation for appointment of the Chair to be considered at a meeting of the full Board.

### **CEO**

The recommendation for appointment of the CEO to be considered at a meeting of the full Board.

### **Diversity, Equity & Inclusion**

1. Ensure all shortlists and interview panels are as diverse as possible.
2. Starting searches early and taking time to build longer term relationships with potential appointees.
3. Having a clear mandate to work with search firms that access talent from wide and diverse pools.

This process must be reviewed and updated where necessary on at least an annual basis.