

**M&C Saatchi Plc**  
(the "**Company**")

**TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE**

In these Terms of Reference, the following terms shall have the following meanings:

The "**Board**" shall mean the Board of Directors of the Company; and

The "**Committee**" shall mean the Nomination Committee of the Company.

**1. INTRODUCTION**

1.1 The Terms of Reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee for compliance with the UK Corporate Governance Code (the "**Code**") and the Financial Reporting Council's Guidance on Board Effectiveness 2018 to assist the Committee in achieving best practice in corporate governance for the Company and its subsidiaries (the "**Group**").

**2. MEMBERSHIP**

2.1 The Committee shall comprise at least three directors. A majority of the members of the Committee shall be independent non-executive directors.

2.2 Appointments to the Committee are made by the Board on the recommendation of the Committee and shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the director still meets the criteria for membership of the Committee.

2.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Chief People Officer, the General Counsel and Company Secretary, other directors and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

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.

**3. SECRETARY**

3.1 The Company Secretary, or their nominee, shall act as the secretary of the Committee ("**Secretary**") and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

**4. QUORUM**

4.1 The quorum necessary for the transaction of business shall be two members present in person or by audio or video conference, 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. FREQUENCY OF MEETINGS**

5.1 The Committee shall meet at least twice a year and otherwise as required.

## **6. NOTICE OF MEETINGS AND PROCEEDINGS AT MEETINGS**

6.1 Meetings of the Committee shall be called by the Secretary at the request of the Committee chair or any of its members.

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 forwarded to each member of the Committee and any other person required to attend, no later than five working days before the date of the meeting but Committee papers may be forwarded at shorter notice with the approval of the Committee chair. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

6.3 Meetings of the Committee may be conducted when the members are physically present or in the form of either video or audio conferences.

6.4 Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person or in the form of either video or audio conference).

6.5 As necessary to effectuate good governance, members may not vote on any matter in which they themselves, or any other member of the Committee, considers the member to have a direct or indirect personal interest. The chair of the Committee may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them. The chair of the Board should not chair the Committee when it is dealing with the appointment of their successor.

## **7. MINUTES OF MEETINGS**

7.1 The Secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.

7.2 Draft minutes of the Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and the Company secretary unless, exceptionally, it would be inappropriate to do so.

## **8. ANNUAL GENERAL MEETING**

8.1 The Committee chair should attend the Company's 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. DUTIES**

9.1 The Committee should carry out the duties detailed below for the Group as a whole, as appropriate.

9.2 The Committee shall:

9.2.1 Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.

- 9.2.2 Ensure plans are in place for orderly succession to Board and senior management positions and oversee the development of a diverse pipeline for succession taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- 9.2.3 Keep under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace.
- 9.2.4 Keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- 9.2.5 Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- 9.2.6 Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and the time commitment expected. In identifying suitable candidates, the Committee shall
  - (a) use open advertising or the services of external advisers to facilitate the search;
  - (b) consider candidates from a wide range of backgrounds; and
  - (c) consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the Board and taking care that appointees have enough time available to devote to the position.
- 9.2.7 Prior to the appointment of a director, other significant time commitments should be disclosed and any additional future commitments should not be undertaken without prior approval of the Board. The proposed appointee should also be required to disclose any other business interests that may result in a conflict of interest. These must be authorised by the Board prior to appointment and any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the Board.
- 9.2.8 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.
- 9.2.9 Review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning.
- 9.2.10 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.
- 9.2.11 Work and liaise as necessary with other Board Committees, ensuring the interaction between Committees and with the Board is reviewed regularly.
- 9.3 The Committee shall also make recommendations to the Board concerning:
  - 9.3.1 Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved.
  - 9.3.2 Suitable candidates as new directors and succession for existing directors.

- 9.3.3 Membership of the Audit and Remuneration Committees, and any other Board Committees as appropriate, in consultation with the chair of those Committees.
- 9.3.4 The re-appointment of non-executive directors 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 the light of knowledge, skills and experience required.
- 9.3.5 The re-election by shareholders of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the Company's articles of association, having due regard to their performance and ability, and why their contribution is important to the Company's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the Board, taking into account the length of service of individual directors, the chair and the Board as a whole.
- 9.3.6 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.
- 9.3.7 The appointment of any director to executive or other office.

## **10. REPORTING RESPONSIBILITIES**

- 10.1 The Committee chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.
- 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, and adequate time should be made available for Board discussion when necessary.
- 10.3 The Committee shall produce a report to be included in the Company's Annual Report describing the work of the nomination Committee, including:
  - 10.3.1 the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline;
  - 10.3.2 how 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 influenced or will influence Board composition;
  - 10.3.3 the policy on diversity and inclusion, its objective and linkage to Company strategy, how it has been implemented and progress on achieving the objectives; and
  - 10.3.4 the gender balance of those in the senior management team and their direct reports.
- 10.4 If an external search consultancy has been engaged, it should be identified in the Company's Annual Report alongside a statement made about any other connection it has with the Company or individual directors.

## **11. OTHER MATTERS**

- 11.1 The Committee shall:
  - 11.1.1 Have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for advice and assistance as required.

- 11.1.2 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.
- 11.1.3 Give due consideration to all relevant laws and regulations, the provisions of the Code and published guidance, the requirements of the AIM Rules, the FCA's Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules Sourcebook and any other applicable rules, as appropriate.
- 11.1.4 Be authorised by the Board 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 cooperate with requests made by the Committee.
- 11.1.5 The Committee shall assist the chair of the Board with the implementation of an annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its committees.
- 11.1.6 At least annually, review the Committee's constitution and terms of reference to ensure it is operating at maximum effectiveness 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.

**21 June 2021**