



**DCC plc**

**Terms of Reference for the Nomination and Governance Committee**

**April 2024**

## **DCC plc**

### **Terms of Reference for the Nomination and Governance Committee**

The Nomination and Governance Committee (the Committee) is a committee of the Board of Directors of DCC plc (the Board), from which it derives its authority and to which it regularly reports.

#### **1. Constitution**

- 1.1 The Committee is established by the Board to carry out the duties in the manner and with the authority set out herein.

#### **2. Remit**

##### **Composition of the Board**

The remit of the Committee in relation to the Board is as follows:

- 2.1 to regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, having regard to the Company's strategy, opportunities and risks, and make recommendations for change to the Board;
- 2.2 to oversee succession planning for Directors, in particular the Chair and Chief Executive, having regard to the skills, knowledge and experience needed for these roles;
- 2.3 to ensure suitable succession plans are in place for Board and senior management positions;
- 2.4 to keep under review the Board Diversity Policy and the setting of measurable objectives for implementing that Policy;
- 2.5 to identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 2.6 before making a nomination, to evaluate the balance of skills, knowledge, independence and experience of the Board, and, in the light of this evaluation, to prepare a description of the role and capabilities required for a particular appointment;
- 2.7 to consider all appointments based on merit, against objective criteria and with regard to the benefits of diversity (including gender, social background and ethnicity) to the work of the Board;
- 2.8 to consider all candidates' alignment with the Company's purpose, culture and values;
- 2.9 in identifying suitable candidates, to use such methods to facilitate the search as it deems necessary, including open advertising and/or an external search consultancy;

- 2.10 to establish that candidates will have sufficient time to devote to the position;
- 2.11 for the appointment of a Chair, to prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises;
- 2.12 to ensure that, prior to the appointment of a Director, the proposed appointee is required to:
- disclose any other business interests that may result in a conflict of interest; and
  - disclose all significant commitments with an indication of the time involved to meet them;
- 2.13 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;
- 2.14 to ensure that non-executive Directors are required to seek Board approval prior to:
- accepting additional external appointments; or
  - undertaking business interests that could result in a conflict of interest.
- 2.15 The Committee shall also make recommendations to the Board as regards:
- the appointment of suitable candidates for the role of Senior Independent Director and the non-executive Director designated for the purposes of engagement with the workforce;
  - the appointment of Chairpersons and members of the Committee and of the Audit and Remuneration Committees;
  - the appointment of the Company Secretary;
  - 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 contribute to the Board in light of the knowledge, skills and experience required;
  - the re-election by shareholders of any Director under the annual re-election provisions of the UK Corporate Governance Code and under the retirement by rotation provisions in the Company's Articles of Association;
  - any changes required to the succession planning process if it considers that the desired outcomes are not being achieved;
  - if and when circumstances deem necessary, the appropriateness of the continuation in office of any Director; and

- the approval of significant changes in the responsibilities of any executive Director.

### **Corporate Governance**

The remit of the Committee in relation to Corporate Governance is as follows:

- 2.16 to monitor the Company's compliance with corporate governance best practice and with applicable legal, regulatory and listing requirements (including but not limited to the Companies Acts, the UK Listing Authority's Listing Rules and the UK Corporate Governance Code) and to recommend to the Board such changes or additional action as the Committee deems necessary;
- 2.17 to advise the Board periodically of significant developments in the law and practice of corporate governance; and
- 2.18 to oversee the conduct of the annual evaluation of Board, Committee, Chair and individual Director performance and take particular account of results that relate to the composition of the Board, succession planning and the time commitment of non-executive Directors.

### **3. Reporting**

- 3.1 The Chair of the Committee shall report to the Board following each meeting of the Committee.
- 3.2 The Committee shall produce a report to be included in the Company's Annual Report about its activities, the process used to make appointments, its approach to succession planning and how both support developing a diverse pipeline. Where an external search agency has been used, it shall be identified in the Annual Report and a statement made as to whether it has any connection with the Company.
- 3.3 The report should also include a statement of the Board's policy on diversity, how that policy supports the Company's strategy, any measurable objectives that it has set for implementing the policy and progress on achieving those objectives, and the gender balance in senior management and their direct reports.
- 3.4 The report should also describe 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.
- 3.5 The Committee shall review and approve the Governance section of the Annual Report and any other material information being made public in respect of the Company's corporate governance.

#### **4. Engagement with shareholders**

- 4.1 The Chair of the Committee shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.
- 4.2 The Chair of the Committee shall seek engagement with shareholders, when necessary, on significant matters within the Committee's area of responsibility.

#### **5. Membership**

- 5.1 Members of the Committee shall be appointed by the Board.
- 5.2 The Committee shall comprise the Chair of the Board and up to four other non-executive Directors, so that the majority of the members are independent non-executive directors.
- 5.3 The Board shall appoint the Committee Chair, who shall be the Chair of the Board, the Senior Independent Director 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 succession to the Chairship.
- 5.4 A quorum shall be two members.
- 5.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided that the Director still meets the criteria for membership of the Committee and the majority of Committee members remain independent.
- 5.6 The Committee shall 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.

#### **6. Meetings**

- 6.1 The Committee shall meet at least four times a year.
- 6.2 Only members of the Committee have the right to attend Committee meetings. However, other Directors and executives and external advisors may be invited to attend for all or part of any meeting as and when appropriate.
- 6.3 The Company Secretary shall act as Secretary to the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to relevant issues.

6.4 Minutes of Committee meetings shall be circulated promptly by the Secretary to all members of the Committee and, once approved, to all members of the Board, with such exceptions or redactions as the Committee deems appropriate.

## **7. Authority**

7.1 The Committee is authorised by the Board to seek any information it requires from any director, officer or employee of the Company in order to perform its duties.

7.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice.

## **8. Other Matters**

8.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

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

8.3 The Committee shall give consideration to relevant legal and regulatory requirements, including but not limited to the provisions of the UK Corporate Governance Code and associated guidance, the requirements of the FCA's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules sourcebook, and any other applicable rules, as appropriate.