

**Smart DCC Limited (the “Company”)
Nomination Committee Terms of Reference**

Definitions:

- Reference to the “**Committee**” shall mean the Nomination Committee.
- Reference to the “**Board**” shall mean the Board of Directors of the Company.
- Reference to the “**Senior Management**” shall mean the Chief Executive Officer, the Chief Financial Officer, and their direct reports
- Reference to the “**Members**” shall mean the Members of the Committee.
- Reference to the “**Code**” shall mean the UK Corporate Governance Code 2018
- Reference to “**SID’s**” shall mean Sufficiently Independent Directors

1. Purpose

- 1.1 The Committee is responsible for reviewing the structure, size and composition of the Board. It has the responsibility of ensuring the Board has the appropriate skills, knowledge and expertise to support the long-term success of the Company. The Committee also ensures that succession plans are in place for the Board and for the Senior Management.

2. Authority

- 2.1 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.
- 2.2 The Committee is authorised by the Board of Directors to examine any activity within its terms of reference and is authorised to obtain, at the Company's expense, independent professional advice on any matter within its terms of reference
- 2.3 The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

3. Membership

- 3.1 The Committee shall comprise of at least 2 (two) SID. A majority of the Members of the Committee shall be SIDs. All Non-Executive Directors (both SID and Capita-appointed Non-Executive Directors) may be Members of the Committee.
- 3.2 Appointments to the Committee are made by the Board on the recommendation of the Nomination Committee and shall be for a 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.
- 3.3 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 and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 3.4 The Board shall appoint the Committee Chair who should be either 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. Where a meeting is considering issues relating to the Chair of the Board, including the appointment of a successor, the Chair of the Board shall not chair the Committee.

4. Secretary

- 4.1 The Company Secretary, or their nominee, shall act as the secretary of the Committee 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.

5. Quorum

- 5.1 The quorum necessary for the transaction of business shall be 2 (two), one of whom must be a SID.
- 5.2 If there are more than 2 (two) Members present, there shall be a least one SID and one Capita appointed Director present.

6. Voting Arrangements

- 6.1 Each member of the Committee 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 by audio or video conference).
- 6.2 Any decision of the Committee must be a majority decision at a meeting unless it is a decision taken in accordance with paragraph 6.3.
- 6.3 A decision of the Committee is taken in accordance with this paragraph 6.3 when all eligible members of the Committee indicate to each other by any means that they share a common view on a matter. Such decision may take the form of a resolution in writing, where each eligible member of the Committee has signed one of more copies of it, or to which each eligible member of the Committee has otherwise indicated agreement in writing.
- 6.4 A decision may not be taken in accordance with paragraph 6.3 if the eligible members of the Committee would not have formed a quorum had the matter been proposed as a resolution at a Committee meeting.
- 6.5 If a member of the Committee has a direct or indirect interest in a matter that is considered by the Committee, that member shall be permitted to vote on the matter and count in the quorum provided the interest has been disclosed in accordance with the Companies Act 2006.
- 6.6 Save where they have a personal interest, the Chairman of the Committee will have a casting vote and may refer any matter they deem appropriate to the Board for decision.

7. Frequency of Meetings

- 7.1 The Committee shall meet at least once a year. The Committee may meet at other times during the year as agreed between the members of the Committee or as required.
- 7.2 The Committee shall meet at least once a year without the Chair of the Board present.
- 7.3 Meetings may be held in person, by video/telephone conference, or a combination of the two. The video/telephone conference details shall be provided to the Committee via the meeting invite.

8. Notice of Meetings

- 8.1 Meetings of the Committee shall be called by the secretary of the Committee or their nominee at the request of the Committee Chair or any of its Members.
- 8.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed at the meeting and any supporting papers shall be

forwarded to each member of the Committee and any other person required to attend no later than 5 (five) working days before the date of the meeting.

- 8.3** The Committee may send notices, agendas and supporting papers in electronic form where the recipient has agreed to receive documents in such a way.

9. Minutes of Meetings

- 9.1 The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance, shall be minuted by the Company Secretary or their nominee. Draft minutes of each meeting will be circulated promptly to the Chair of the Committee and members of the Committee. Once approved, the minutes of each meeting will be circulated to all other members of the Board of Directors and the Company Secretary (Capita secretariat), unless it would be inappropriate to do so in the opinion of the Committee Chair.

10. Duties

The Committee shall (unless required otherwise by regulation) carry out the following duties for the Company:

- 10.1 Regularly review the structure, size and composition (including the skills, knowledge, independence, experience, length of service and diversity) of the Board and make recommendations to the Board with regard to any changes.
- 10.2 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.
- 10.3 Keep under review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace and achieve its corporate objectives.
- 10.4 Keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- 10.5 Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- 10.6 Ensure all formal matters to affect the appointment of a director by Capita Business Services Limited as permitted under Article 9 of the Company's Articles of Association are completed.
- 10.7 Before any sufficiently independent director 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:
- (i) agree an appropriate route to market and recruitment campaign to attract the best candidates, and agree upon any open advertising or the services of external advisers to facilitate the search;
 - (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria, having due regard to the benefits of diversity, and the Company's diversity policy, on the Board and taking care that appointees have enough time available to devote to the position.
- 10.8 Ensure that prior to the appointment of a new director, other significant time commitments are disclosed by the proposed appointee 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

- 10.9 Ensure that, on appointment to the Board, SIDs 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 and all other Directors receive a memorandum of understanding.
- 10.10 Following the appointment to the Board of a Director by Capita, the Committee will evaluate and note the balance of skills, knowledge, experience, and diversity on the Board.
- 10.11 Review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning.
- 10.12 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.
- 10.13 Work and liaise as necessary with other Board Committees, ensuring the interaction between Committees and with the Board is reviewed regularly.
- 10.14 Ensure that all new directors undertake an appropriate induction programme to ensure that they are fully informed about strategic and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director and consider any training requirements for the Board as a whole.

The Committee shall also make recommendations to the Board concerning:

- 10.15 Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved.
- 10.16 Membership of the Audit & Risk, Remuneration & People Committees, Technology Advisory Committee, and any other Board Committees as appropriate, in consultation with the Chair of those Committees.
- 10.17 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 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 whole. Noting that directors appointed by Capital Business Services Limited are not subject to a maximum term.
- 10.18 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.
- 10.19 The appointment of any Director to any other office within the Company.

11. Reporting Responsibilities

- 11.1 The Committee Chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and any actions to be taken.
- 11.2 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.

- 11.3 The Committee shall produce a report to be included in the Company’s annual report describing the work of the Nomination Committee, including:
- (i) the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline;
 - (ii) 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;
 - (iii) the Company’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
 - (iv) the gender balance of those in the Senior Management team and their direct reports.

12. Other Matters

The Committee shall:

- 12.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary or their nominee for advice and assistance as required.
- 12.2 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.
- 12.3 Give due consideration to all relevant laws and regulations, the provisions of the Code and associated guidance, and any other applicable rules, as appropriate.
- 12.4 Arrange for a periodic review of its own performance as part of the annual Board evaluation and, at least once a year, review its 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.
- 12.5 Consider such other matters as may be requested by the Board of Directors.

Terms of Reference – Review History		
Version Number	Committee Review Date	Board approval date
V3	16.07.2024	16.07.2024
V2	04.07.2023	04.08.2023
V1	Adopted 21.10.2021	