



Peel Hunt Limited (the "Company")

NOMINATION COMMITTEE TERMS OF REFERENCE

8 December 2023

PEEL HUNT LIMITED
(the “Company”)

Nomination Committee Terms of Reference

Approved and Adopted by the Board of the Company
At a Board Meeting held 8 December 2023

1. CONSTITUTION

- 1.1. The board of directors of the Company (the “**Board**”) has established a committee of the Board known as the Nomination Committee (the “**Committee**”). The meetings and proceedings of the Committee are governed by these Terms of Reference.

2. MEMBERSHIP AND ATTENDANCE

- 2.1. The Committee shall comprise at least three members. All members of the Committee shall be non-executive directors.
- 2.2. Members of the Committee shall be appointed by the Board on the recommendation of the Committee in consultation with the chair of the Committee (the “**Committee Chair**”). Appointments shall be for a period of up to three years, which may be extended for up to two additional three-year periods.
- 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 Financial and Operating Officer, the HR Director, and external advisers, may be invited to attend for all or part of any meeting, as and when appropriate.
- 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 at a Committee meeting, the remaining members present shall elect one of their number (normally the Senior Independent Director) to preside as Committee Chair.
- 2.5. The Chair of the Board (“**Board Chair**”) shall not chair the Committee when it is considering matters relating to the Board Chair such as succession or performance.

3. SECRETARY

- 3.1. The Company Secretary, or his or her nominee, shall act as the secretary of the Committee (“**Secretary**”) and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 3.2. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

4. QUORUM

- 4.1. The quorum necessary for the transaction of business shall be two members.
- 4.2. 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.

- 4.3. The Committee may hold meetings in person, by telephone or using any other method of electronic communication that permits participants to communicate adequately with each other during the meeting.

5. FREQUENCY OF MEETINGS

- 5.1. The Committee shall meet at least twice a year and otherwise as required.
- 5.2. Outside of formal meetings, the Committee Chair will maintain a dialogue with key individuals involved in the Company's governance.

6. NOTICE OF MEETINGS

- 6.1. Meetings of the Committee shall be convened 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 days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
- 6.3. Shorter notice and/or late submission or circulation of supporting papers will be permitted at the discretion of the Committee Chair.
- 6.4. Notices and supporting papers may be circulated electronically.

7. MINUTES OF MEETINGS

- 7.1. The Company secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2. Draft minutes of Committee meetings shall be agreed with the Committee Chair and then circulated to all members of the Committee.
- 7.3. Where practical, minutes from the previous meeting shall be tabled for review and approval at the next scheduled meeting. Once approved, minutes should be circulated to the Board unless, exceptionally, it would be inappropriate to do.
- 7.4. A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting.

8. ENGAGEMENT WITH SHAREHOLDERS

- 8.1. The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

9. DUTIES

- 9.1. The Committee should have oversight of the Peel Hunt Group as a whole (the “**Group**”) and, unless required otherwise by law or regulation, and save for where such duties conflict with those of a separate nomination committee with responsibility for a major subsidiary undertaking, carry out the duties below on behalf of the Company, major subsidiary undertakings, and the Group as a whole (“**the Group**”), as appropriate.

9.2. The Committee shall:

Board composition, diversity, and succession planning

- (a) Annually review the structure, size, and composition (including the skills, knowledge, independence, experience, length of service and diversity) of the Board to support the ongoing strategy of the Company and make recommendations to the Board with regard to any changes.
- (b) Ensure plans are in place for orderly succession to the Board and other senior executive positions and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company and Group, and the skills and expertise needed on the Board in the future.
- (c) Keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- (d) Keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- (e) Oversee the Company's policy on diversity as it applies to the Board and its committees and the Group's policy on talent development, in each case including their implementation and progress towards achieving their objectives.

Board appointments

- (f) Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- (g) 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:
 - i. use open advertising or the services of external advisers to facilitate the search as it deems appropriate;
 - ii. consider candidates from a wide range of backgrounds; and
 - iii. consider candidates on merit and against objective criteria and with due regard to the benefits of diversity on the Board, taking care that appointees have enough time available to devote to the position.
- (h) Prior to the appointment of a Board Chair, prepare a job specification, including the time commitment expected. A proposed Board Chair's other significant commitments should be disclosed to the Board before appointment and any changes to those commitments should be reported to the Board as they arise.
- (i) Prior to the appointment of a director, require a proposed candidate to disclose other significant time commitments, any additional future commitments, and 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.

- (j) 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.

Board evaluation

- (k) Consider and set the criteria for the objective and rigorous performance review of each individual director, the Board as a whole, and its committees.
- (l) Ensure that an annual performance evaluation is conducted of the Board and its committees, such evaluation to be externally facilitated at least once every three years.
- (m) Review the results of the Board performance evaluation process that relate to the composition of the Board.
- (n) 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.
- (o) Arrange and oversee training for the Board as appropriate to its needs and development.

Recommendations to the Board

9.3. The Committee shall also make recommendations to the Board concerning:

- (a) any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved;
- (b) suitable candidates as new directors and succession for existing directors;
- (c) membership of the Audit, Risk, Remuneration, and Environmental, Social and Governance committees in consultation with the chairs of those committees;
- (d) the annual re-election by shareholders of directors under the annual general meeting retirement provisions in the Company's articles of association, having due regard to their performance and ability to continue to contribute to the Board in light of the skills, knowledge and experience required and the need for progressive refreshing of the Board;
- (e) 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;
- (f) the appointment of any director to executive or other office; and
- (g) the appointment or removal of the Company Secretary.

10. REPORTING RESPONSIBILITIES

- 10.1. The Committee Chair shall update the Board 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 approve the format and content of any report to be included in the Company's annual report and/or on its website about its activities.

11. OTHER MATTERS

- 11.1. The Committee shall:

- (a) have access to sufficient resources to carry out its duties, including access to the Company secretariat for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- (c) give due consideration to all applicable laws and regulations including the Companies (Guernsey) Law 2008, the provisions of the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), the London Stock Exchange AIM Rules for Companies, the Disclosure Guidance and Transparency Rules, the UK Market Abuse Regulation and any other applicable rules and guidance, as appropriate;
- (d) oversee any investigation of activities which are within its terms of reference;
- (e) work and liaise as necessary with all other Board committees; and
- (f) arrange for an annual evaluation of its own performance and, at least annually, review its 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 to:

- (a) seek any information it requires from any employee of the Company or Group and from any sub-contractor, consultant, or other provider of services in order to perform its duties;
- (b) obtain, at the Company's expense, independent legal, accounting, or other professional advice on any matter it believes it necessary to do so;
- (c) call any employee to be questioned at a meeting of the Committee as and when required;
- (d) delegate any matter or matters to another committee or person(s) as it deems appropriate; and
- (e) perform any other functions as requested by the Board.