

The Nomination Committee (the "Committee") has been established by the board of directors (the "Board") of Mattioli Woods plc (the "Company" or the "Group") as a committee of the Board.

## **1 PURPOSE**

- 1.1 The purpose of the Committee is to lead the process for appointments to the Board and Board Committees, ensure that plans are in place for orderly succession to both Board and senior management positions and oversee the development of a diverse pipeline for succession.
- 1.2 The Committee may sub-delegate any of its powers and authority as it sees fit, including, without limitation, through the establishment of sub-committees to consider particular issues and report back to the Committee.

## **2 COMMITTEE COMPOSITION**

- 2.1 Membership shall be determined by the Board.
- 2.2 The Committee shall have at least three members and the majority of the members shall be independent non-executive directors.
- 2.3 Only members of the Committee shall have the right to attend meetings. Membership is personal to the position holder and cannot be delegated.
- 2.4 Membership shall be for a period of three years, which may be extended for up to two additional three-year periods, provided the member still meets the criteria for membership of the Committee.
- 2.5 The Committee's Chair shall be appointed by the Board and shall be accountable for the effective operation of the Committee, the appointee should be either the Chair of the Company or an independent non-executive director. The Chair of the Board should not chair the meeting of the Committee when it is dealing with the appointment of a successor to the Chair of the Board.
- 2.6 In the absence of the Committee Chair, their deputy, or in their absence the remaining members shall elect an independent non-executive director to chair that particular meeting.
- 2.7 Other individuals may also be invited to attend all or part of any meeting as and when the Chair deems appropriate and necessary.
- 2.8 Regular invited attendees are likely to be, but are not limited to, Chief Executive Officer, Chief Financial Officer and the Group Operating Officer.

## **3 MEETINGS**

- 3.1 The secretary of the Committee shall be the Company Secretary or such other person as the

Committee may appoint.

- 3.2 The Committee shall meet twice at least twice annually. The Chair has the discretion to cancel, reschedule or call additional meetings as required. Meetings shall be called by the secretary of the Committee at the request of its Chair or any of its member
- 3.3 Meetings may be conducted by telephone or video conference and decisions made by such means shall be appropriately recorded and shall have the same effect as those conducted in person.
- 3.4 A quorum for the Committee shall be two members, both of whom shall be independent non-executive directors.
- 3.5 The agenda for each meeting shall be approved by the Chair. Notice of each meeting, together with an agenda of items to be discussed shall be forwarded to each Committee member, and any attendees, no later than 5 working days before the meeting. Supporting papers shall be sent to Committee members, and other attendees as appropriate, at the same time.
- 3.6 The Secretary shall prepare formal minutes for every meeting capturing key issues raised and any decisions/approvals made/granted by the Committee.

#### **4 RESPONSIBILITIES**

The Committee shall:

- 4.1 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.
- 4.2 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.
- 4.3 Keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace.
- 4.4 Keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates.
- 4.5 Lead the selection process for new directors, establishing appropriate criteria for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- 4.6 Before any appointment is made to the Board, evaluate the balance of skills, knowledge and 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 required. In identifying suitable candidates, the Committee shall:

- 4.6.1 use open advertising or the services of external advisers to facilitate the search;
  - 4.6.2 consider candidates from a wide range of backgrounds; and
  - 4.6.3 consider candidates on merit and against objective criteria, and with due regard for the benefits of diversity on the Board, including social and ethnic backgrounds, and cognitive and personal strengths, as well as gender, taking care that appointees have enough time available to devote to the position.
- 4.7 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.
- 4.8 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.
- 4.9 Review the results of the Board performance evaluation process that relates to the composition of the Board and succession planning.
- 4.10 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.
- 4.11 Oversee the induction, training and continuous professional development of directors.
- 4.12 Work and liaise with other Board committees, ensuring the interaction between committees and the Board is reviewed regularly.
- 4.13 The Committee shall also make recommendations to the Board concerning:
- 4.13.1 Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved.
  - 4.13.2 Suitable candidates as new directors and succession planning for existing directors.
  - 4.13.3 The structure, chairmanship and membership of the Audit, Risk & Compliance, and Remuneration Committees, and any other Board committees as appropriate, in consultation with the Chairs of those committees.
  - 4.13.4 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 continue to contribute to the Board in light of knowledge, skills and experience required.
  - 4.13.5 The annual re-election by shareholders of any director, having due regard to their

performance and ability and why their contribution is important to the Company's long-term success in light of the knowledge, skills and experience required and the need for progressive refreshing of the Board, taking into account the length of service of individuals, the chair and the Board as a whole.

4.13.6 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.

4.13.7 The appointment of any director to executive or other office.

## **5 SHAREHOLDER ENGAGEMENT**

5.1 The Chair of the Committee shall attend the Company's Annual General Meeting, prepared to respond to any shareholder questions on the Committee's activities and responsibilities.

## **6 REPORTING RESPONSIBILITIES**

6.1 The Chair shall report to the Board on the Committee's proceedings on all matters within its accountabilities and responsibilities and the minutes for all Committee meetings shall be included in the papers for the subsequent Board meeting.

6.2 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.

6.3 The Committee Chair shall make a statement in the Company's Annual Report about the activities of the Committee, including:

6.3.1 the process used to make appointments, its approach to succession planning, and both support the development of a diverse pipeline;

6.3.2 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;

6.3.3 the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives, and

6.3.4 the gender balance of those in the senior management team and their direct reports.

6.4 If an external search consultancy has been engaged, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors.

## **7 OTHER MATTERS**

- 7.1 The Committee shall:
- 7.1.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required.
  - 7.1.2 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.
  - 7.1.3 Give due consideration to all relevant laws and regulations, the provisions of the QCA Corporate Governance Code and associated guidance, the requirements of the London Stock Exchange plc, AIM Rules for Companies, the Market Abuse Regulations (to the extent applicable) the Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate.
  - 7.1.4 Ensure that a periodic evaluation of the Committee's own performance is carried out.
  - 7.1.5 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.
- 7.2 The Committee is authorised by the Board to:
- 7.2.1 investigate any activity within its terms of reference;
  - 7.2.2 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;
  - 7.2.3 obtain outside legal or other independent professional advice at the Company's expense; and
  - 7.2.4 instruct external professional advisers to attend any meeting if it considers this necessary or appropriate.
- 7.3 The Committee will consider reports or topics, as may be requested by the Board;
- 7.4 The Committee will perform oversight functions as requested by the Board.
- 7.5 The Committee shall make available these terms of reference and include the information on the Company's website.

These terms of reference were adopted on 22 May 2020.