



**Animal Health Group plc**

## Nomination Committee

The members of the Nomination Committee are:

- Andrew Jones (Chair of the Nomination Committee)
- Frank Armstrong
- Tracey James

Executive management may also attend by invitation. The Company Secretary or his/her nominated representative ensures that the meetings are properly recorded.

The Nominations Committee meets at least twice a year, linked to the timing of the publication of the Group's results. The Nominations Committee will also meet on an ad hoc basis when necessary.

The Nominations Committee operates within specific Terms of Reference that are shown below and that include:

- regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the board
- giving full consideration to succession planning for both executive and non-executive directors
- keeping under review the leadership needs of the organisation
- being responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise
- reviewing the results of the board performance evaluation process that relate to the composition of the board
- nominating membership of the audit and remuneration committees
- the re-election by shareholders of directors under the retirement by rotation provisions of the Company's Articles of Association
- any matters relating to the continuation in office of any director at any time including the appointment or removal of any director to executive or other office

The Nominations Committee can call for information from the Executive Leadership Team and consults with external specialists directly if they require to do so.



**Animal Health Group plc**

# **Terms of Reference of the Nomination Committee**

**Updated: August 2022**

## **Terms of Reference of the Nomination Committee**

### **1 Membership**

- 1.1 The committee shall comprise at least three directors, including at least two independent non-executive directors. The majority of the members of the committee should be independent non-executive directors.
- 1.2 Only members of the committee have the right to attend committee meetings. However, other individuals such as Executive management and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3 Appointments to the committee are made by the board and shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the committee.
- 1.4 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. The chair of the board shall not chair the committee when it is dealing with the matter of succession to the chair.
- 1.5 The committee chair shall review membership of the committee annually, as part of the annual performance evaluation of the committee.

### **2 Secretary**

- 2.1 A member of the committee, or the company secretary, shall act as the secretary of the committee, and shall provide all necessary support to the committee. This will include ensuring that the committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues. The recording of committee minutes will be taken by the company secretary or his/her nominated representative.

### **3 Quorum**

- 3.1 The quorum necessary for the transaction of business shall be two both of whom must be independent non-executive directors.

### **4 Frequency of meetings**

- 4.1 The committee shall meet at least twice a year and otherwise as required.

## **5 Notice of meetings**

- 5.1 Meetings of the committee shall be called by the secretary of the committee at the request of the committee chair.
- 5.2 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, any other person required to attend and all other non-executive directors, no later than five working 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.
- 5.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

## **6 Minutes of meetings**

- 6.1 The Company Secretary, or his/her nominated representative, shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance.
- 6.2 Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes should be circulated to all other members of the board unless in the opinion of the committee chair it would be inappropriate to do so.

## **7 Annual general meeting and engagement with shareholders**

- 7.1 The committee chair should attend the 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.

## **8 Duties**

The committee shall:

- 8.1 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.
- 8.2 ensure plans are in place for orderly succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future.
- 8.3 keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- 8.4 keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates.

- 8.5 be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise.
  - 8.6 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. In identifying suitable candidates, the committee shall consider:
    - 8.6.1 using open advertising or the services of external advisers to facilitate the search.
    - 8.6.2 candidates from a wide range of backgrounds
    - 8.6.3 candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board and taking care that appointees have enough time available to devote to the position.
  - 8.7 Prior to the appointment of a director, other significant time commitments should be disclosed and any additional significant future commitments should not be undertaken without prior approval of the board though this will not be unreasonably with-held. 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.
  - 8.8 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.
  - 8.9 have particular regard to the requirements of AIM Rule 17, Schedule Two paragraph (g), and will ensure that the company consults appropriately with the Nominated Adviser in making a director appointment.
  - 8.10 review the results of the board performance evaluation process that relate to composition of the board and performance planning.
  - 8.11 review annually the time required from non-executive directors. Performance evaluation should be used to assess whether non-executive directors are spending enough time to fulfil their duties.
  - 8.12 work and liaise as necessary with other board committees, ensuring the interaction between committees and with the board is reviewed regularly.
- The committee shall also make recommendations to the board concerning:
- 8.13 any changes needed to the succession planning process if its periodic assessment indicated the desired outcomes have not been achieved.
  - 8.14 suitable candidates as new directors and succession for existing directors.

- 8.15 membership of the audit and remuneration committees, and any other board committees as appropriate, in consultation with the chair of those committees.
- 8.16 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 the light of knowledge, skills and experience required.
- 8.17 the re-election by shareholders of directors under the annual re-election provisions of the QCA 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 whole.
- 8.18 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
- 8.19 the appointment of any director to executive or other office.

## **9 Reporting responsibilities**

- 9.1 the committee chair shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 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 discussion should be made available for board discussion where necessary.
- 9.3 The committee shall produce a report to be included in the company's annual report describing the work of the nomination committee, including:
- the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline
  - explanation if external advice or open advertising has not been used.
  - circumstances where an external search agency has been used, the agency being identified in the annual report and a statement made as to whether it has any connection with the company.
  - 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
  - the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives

9.4 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.

## **10 Other matters**

The committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required.
- 10.2 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.
- 10.3 give due consideration to laws and regulations, the UK Corporate Governance Code the QCA Corporate Governance Code, as amended and updated from time to time and the requirements of the AIM Rules for Companies and any other applicable rules as appropriate.
- 10.4 ensure that a periodic evaluation of the committee's own performance is carried out.
- 10.5 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.
- 10.6 have the flexibility to appointment a temporary sub-committee to act on behalf of the committee for a specific purpose, e.g. appointment of an Executive Director or undertake a corporate task
- 10.7 work and liaise as necessary with other board committees

## **11 Authority**

- 11.1 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.
- 11.2 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.

**Approved by the Board**

**August 2022**