

**NCC GROUP PLC
("Company")**

**NOMINATION COMMITTEE: TERMS OF REFERENCE
(approved 28 March 2019 and with effect from
1 June 2019)**

1. Definitions

In these terms of reference:

"Board" means the board of directors of the Company; and

"Committee" means the nomination committee of the Board.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board. The Committee shall comprise at least three directors. A majority of the Committee shall be independent non-executive directors.
- 2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals (such as the other directors and representatives of the Company and external advisers) may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.3 Appointments to the Committee 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.
- 2.4 The Board shall appoint the chairman of the Committee, who shall be the chairman of the Board or an independent non-executive director. In the absence of the chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

3. Secretary

The Company Secretary or his/her nominee shall act as the secretary of the Committee.

4. Quorum

The quorum necessary for the transaction of business shall be two members, both of whom must be either independent non-executive directors or an independent non-executive director and the Company Chairman (unless considering the succession of the chairmanship). 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.

5. Frequency of meetings

The Committee shall meet at least twice a year and otherwise as required.

6. Notice of meetings

- 6.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of 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, any other person required to attend and all other non-executive directors no later than five days before the date of the meeting (where reasonably practicable). Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

7. Minutes of meetings

- 7.1 The secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 7.2 Draft Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once approved to all other members of the Board, unless it would be inappropriate to do so.

8. AGM

The chairman of the Committee shall attend the AGM to answer any shareholder questions on the Committee's activities.

9. Duties

The Committee shall carry out the duties below for the Company, major subsidiary undertakings and the Group as a whole, as appropriate.

The Committee shall:

- 9.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board compared with its current position, and make recommendations to the Board with regard to any changes;
- 9.2 satisfy itself with regard to succession planning that processes and plans are in place for orderly succession for appointments to both the Board and senior management so as to maintain an appropriate balance of skills and experience within the Company and on the Board, to oversee a diverse pipeline for succession, to ensure progressive refreshing of the Board and to recommend processes and plans for succession to the extent necessary with the final decision on Board appointments to be made by the Board and the final decision on senior management appointments to be made by the CEO;;
- 9.3 be responsible for identifying, and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 9.4 before an appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and the future challenges affecting the business, 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:
- 9.4.1 use open advertising or the services of external advisers to facilitate the search;
- 9.4.2 consider candidates from a wide range of backgrounds; and
- 9.4.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, social and ethnic backgrounds, and cognitive and personal strengths, taking care that appointees have enough time available to devote to the position;
- 9.5 for the appointment of a chairman of the Board, the Committee should prepare a job specification, including the time commitment expected. The proposed chairman of the Board's other significant commitments should be disclosed to the Board before appointment and any changes to the chairman's commitments should be reported to

- the Board as they arise;
- 9.6 prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.
- 9.7 keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- 9.8 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 9.9 review the results of the Board performance evaluation process that relates to the composition of the Board;
- 9.10 review annually the time required from non-executive directors. Performance evaluation should be used to assess (inter alia) whether the non-executive directors are spending enough time to fulfil their duties;
- 9.11 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, service on committees and involvement outside Board meetings;
- 9.12 work and liaise as necessary with all other Board committees;
- 9.13 make recommendations to the Board concerning:
- 9.13.1 suitable candidates for the role of senior independent director;
- 9.13.2 membership of the audit, cyber security and remuneration committees and any other Board committees as appropriate, in consultation with the chairmen of those committees;
- 9.13.3 the re-appointment of any non-executive director at the conclusion of his/her specified term of office, having given due regard to his/her performance and ability to continue to contribute to the Board in the light of the skills, knowledge and experience required;
- 9.13.4 the re-election by shareholders of any director under the annual re-election provisions of the UK Corporate Governance Code, having given due regard to his/her performance and ability to continue to contribute to the Board in the light of the skills, knowledge and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
- 9.13.5 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 any relevant legal requirements and his/her service contract); and
- 9.13.6 the appointment of any director to executive or other office (other than to the positions of chairman of the Board and chief executive, the recommendation for which would be considered at a meeting of the Board).

10. Reporting responsibilities

- 10.1 The chairman of the Committee shall report to the Board if appropriate on its proceedings 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 produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. 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.
- 10.4 The report referred to in paragraph 10.3 shall include the Board's policy on diversity, including gender, and any measurable objectives that have been set for implementing the policy and progress on achieving the objectives.

11. Other matters

- 11.1 The Committee shall:
 - 11.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required; and
 - 11.1.2 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;
 - 11.1.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate.

12. Self-appraisal

The Committee shall regularly review its own performance, and at least annually 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.

13. Authority

The Committee is authorised by the Board:

- 13.1 to seek any information it requires from any employee of the Company in order to perform its duties;
- 13.2 to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- 13.3 to call any employee to be questioned at a meeting of the Committee as and when required.