

Capital Gearing Trust P.l.c.

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

Last adopted by the Board on 5 November 2019

Constitution

1. By resolution of the Board passed on 21 May 2019 a Committee of the Board was established to be known as the Nomination Committee.

Membership

2. The Committee shall be appointed by the Board and shall comprise all independent non-executive directors.
3. The Chairman of the Committee shall be appointed by the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship of the Board.
4. The quorum necessary for the transaction of business shall be two members.

Meetings

5. Meetings shall be held at least once per year.
6. Only members of the Committee shall have the right of attendance, however other individuals may be invited to attend all or part of any meeting as and when appropriate.
7. The Company Secretary or their nominee shall act as the Secretary of the Committee.
8. Meetings of the Committee shall be convened by the Secretary or Chairman of the Committee at the request of any of its members.
9. Notice of each meeting confirming the venue, date and time, 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.

Minutes of Meetings

10. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
11. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.

Annual General Meeting

12. The Committee Chairman should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

Authority

13. The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other independent professional advice on any matter within its terms of reference and to secure the attendance at meetings of non-Committee members with relevant experience and expertise if it considers this necessary.

Duties

14. The duties of the Nomination Committee are:
 - a) To 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.
 - b) To give full consideration to succession planning for directors 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.
 - c) To be responsible for identifying and nominating candidates for the approval of the Board to fill vacancies on the Board as and when they arise. In identifying suitable candidates, the Committee shall consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, taking care that appointees have enough time available to devote to the position.
 - d) To review the re-appointment of Directors, as they fall due for re-election, under the terms of their appointment and the relevant provisions of the UK Corporate Governance Code and the AIC Code of Corporate Governance, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board, and to make recommendations to the Board as considered appropriate.
 - e) To consider other topics, as defined by the Board.

Other Matters

15. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
16. At least once a year the Committee should review its own performance, 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.
17. Committee members should 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.

Reporting Responsibilities

18. The Committee Chairman shall report formally to the Board on the proceedings of the Committee after each meeting on all matters within its duties and responsibilities.
19. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.