

Terms of Reference – Nomination Committee

1. Constitution

- 1.1 The Nomination Committee (the “**Committee**”) was constituted as a committee of the Board of directors (the “**Board**”) of St. Modwen Properties Plc (the “**Company**” or “**Group**”) in accordance with the articles of association of the Company.
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation, the establishment of sub-committees which are to report back to the Committee.
- 1.4 The role of the Committee is to ensure that there is a formal, rigorous and transparent procedure for the appointment of new directors to the Board, to lead the process for Board appointments and make recommendations to the Board. The Committee is to assist the Board in ensuring its composition is regularly reviewed and refreshed so that it is effective and able to operate in the best interests of shareholders; and in doing so, the Committee shall work and liaise with other Board committees, as appropriate.

2. Membership

- 2.1 The Committee shall comprise at least three members, the majority of whom should be independent non-executive directors.
- 2.2 Appointments to the Committee shall be made by Board on the recommendation of the Nomination Committee in consultation with the Chairman.
- 2.3 The Chairman of the Committee shall be appointed by the Board and should be either the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman 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 Chairman of the Board shall not chair the Committee when it is dealing with the appointment of a successor as Chairman.
- 2.4 Appointments to the Committee shall be for a period of up to three years, which may be extended by up to two further three-year periods, provided the director still meets the criteria for membership of the Committee.
- 2.5 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, other senior managers and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 2.6 The Secretary of the Committee shall be the Company Secretary or his or her nominee or such other person as shall be appointed from time to time by the Committee.

3. Quorum & Voting Arrangements

- 3.1 The quorum necessary for the transaction of business shall be three members, the majority of whom should be independent non-executive directors. 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.

- 3.2 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee, whether in person or by electronic methods of communication.
- 3.3 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 3.4 Except where there is personal interest, the Committee chairman shall have a casting vote.
- 3.5 The Committee chairman may ask any attendees of a meeting to leave the meeting to allow the discussion of matters relating to them.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require.
- 4.2 Meetings may be conducted by electronic methods of communication and decisions made by such means shall be appropriately recorded and shall have the same effect as those conducted in person.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairman of the Committee.
- 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 and any other person required to attend no later than three 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.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once approved, to all other members of the Board, unless in the opinion of the Chairman of the Committee it would be inappropriate to do so.

7. Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting to respond to any shareholder questions on the Committee's activities and matters within the scope of the Committee's responsibilities.

8. Duties

The Committee shall:

- 8.1 regularly review the structure, size and composition of the Board (including the balance of skills, knowledge, experience, diversity and independence) and make recommendations to the Board with regard to any changes to ensure progressive refreshing of the Board;
- 8.2 formulate succession plans for both executive and non-executive directors, and in particular the roles of Chairman and Chief Executive, identifying and assessing candidates and making appropriate recommendations to the Board;
- 8.3 be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 8.4 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:
 - 8.4.1 consider internal candidates who may be suitable for promotion to the Board in an executive capacity;
 - 8.4.2 use open advertising or the services of external advisers to facilitate the search;
 - 8.4.3 consider candidates from a wide range of backgrounds; and
 - 8.4.4 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position;
- 8.5 for the appointment of a chairman, the Committee should prepare a job specification, including the time commitment expected. A proposed chairman'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;
- 8.6 following a formal, rigorous and transparent procedure, be responsible for identifying and nominating for the approval of the Board, candidates to serve as Directors as and when they arise. All recommendations of the Committee in respect of appointment of such positions shall only take effect when approved by the Board;
- 8.7 agree with the Board appropriate processes for the appointment and reappointment of directors;
- 8.8 keep under review the leadership needs of the Group, both at Board and senior management levels, and give full consideration to succession planning to ensure the continued ability of the Group to compete effectively in the marketplace;
- 8.9 review annually the time commitment required of non-executive directors. (Performance evaluation should be used to assess whether non-executive directors are committing sufficient time to fulfil their duties);
- 8.10 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;

- 8.11 ensure that on appointment of a director, the appointee discloses any other business interests that may result in a conflict of interest and reports any future business interests that could result in a conflict of interest;
- 8.12 keep under review at least annually potential conflicts of interest of directors disclosed to the Company and develop appropriate processes for managing such conflicts if the Committee considers this to be necessary;
- 8.13 establish and keep under review appropriate induction arrangements for new directors with respect to their Board and Board Committee responsibilities, to ensure that they are fully informed about strategic and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director;
- 8.14 assist the chairman of the Board with the implementation of an annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its Committees, including the consideration of balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, how the Board works together as a unit, and other factors relevant to the Board's effectiveness;
- 8.15 review the results of the Board evaluation process which relate to the composition of the Board;
- 8.16 ensure the evaluation of the Board is externally facilitated at least every three years;
- 8.17 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates; and
- 8.18 Work and liaise as necessary with other Board Committees.

The Committee shall also make recommendations to the Board concerning:

- 8.19 suitable candidates for the role of Senior Independent Director;
- 8.20 membership of the Nomination Committee and membership and chairmanship of the Audit and Remuneration Committees, in consultation with the chairmen of those Committees;
- 8.21 the reappointment 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 the knowledge, skills and experience required;
- 8.22 the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code or the retirement by rotation provisions in the Company's articles of association, having due regard to their performance and ability to continue to contribute to the Board;
- 8.23 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; and
- 8.24 the Committee shall make recommendations to the Board in relation to director induction and training as well as consider training requirements for the Board as a whole.

9. Reporting Responsibilities

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and how it has discharged its 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.
- 9.3 The Committee shall make a statement 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 other connection with the Company. The statement shall also include details of the Board's policy on diversity (including gender), any measurable objectives that it has set for implementing the policy and progress on achieving these objectives.

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, regulations, and institutional investor guidelines including, but not limited to, the provisions of the UK Corporate Governance Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and guidelines published by the Investment Management Association and the National Association of Pension Funds;
- 10.4 oversee any investigation of activities which are within its terms of reference; and
- 10.5 review annually its composition, its terms of reference and its own effectiveness and recommend any changes it considers necessary to the Board for approval.

11. Authority

The Committee is authorised:

- 11.1 to seek any information it requires from any employee of the Company in order to perform its duties;
- 11.2 to obtain, at the Company's expense, independent legal or other professional advice on any matter within its terms of reference when the Committee reasonably believes it necessary to do so; and
- 11.3 to call any director or employee to be questioned at a meeting of the Committee as and when required.

Approved by the Board

28 March 2018