

SOFTCAT PLC

(the "Company")

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

Chair:	Martin Hellowell
Members:	Robyn Perriss Vin Murria Peter Ventress
Frequency of Meetings:	At least twice a year and as required.

1. CONSTITUTION

The meetings and proceedings of the Nomination Committee (the "**Committee**") are governed by the Terms of Reference set out below which were adopted by the board of directors of the Company (the "**Board**") on 10 July 2019.

2. OBJECTIVES

The Committee is a Board committee, to which is delegated the responsibility to lead the process for Board appointments and to ensure that the Board and its committees have an appropriate balance of skills, experience, availability, independence and knowledge of the Company to enable them to discharge their respective responsibilities effectively.

3. MEMBERSHIP

3.1 The Committee shall comprise at least three directors of the Company ("**Directors**"). A majority of the members of the Committee shall be independent non-executive directors.

3.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as other Directors, the chief executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

3.3 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.

3.4 The Board shall appoint the chair of the Committee (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 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.

3.5 The chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the Company Chair.

4. SECRETARY

The Company Secretary or his or her nominee shall act as the secretary of the Committee (the "**Committee Secretary**") and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

5. QUORUM

- 5.1 The quorum necessary for the transaction of business shall be two, both of whom must be independent non-executive directors.
- 5.2 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.
- 5.3 The Committee may hold meetings by telephone or using any other method of electronic communication whereby the participants are able to communicate effectively with each other, and may take decisions without a meeting by unanimous written consent, when deemed necessary or desirable by the Committee Chair.

6. FREQUENCY OF MEETINGS

- 6.1 The Committee shall meet at least twice a year and otherwise as required.
- 6.2 The Committee shall meet to consider the Directors who are to retire by rotation at the next annual general meeting ("**AGM**") in good time to enable any recommendations of the Committee to be included in the notice of AGM.

7. NOTICE OF MEETINGS

- 7.1 Meetings of the Committee shall be called by the Committee Secretary at the request of the Committee Chair or any of its members.
- 7.2 Unless otherwise agreed, and except where a situation of urgency otherwise requires, wherever practicable, 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 or invited to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall, wherever practicable, be sent to Committee members and to other attendees as appropriate, at the same time.
- 7.3 Shorter notice and/or late submission or circulation of supporting papers will be permitted at the discretion of the Committee Chair.
- 7.4 Supporting papers may be circulated electronically or in hard copy as circumstances require.

8. MINUTES OF MEETINGS

- 8.1 The Committee Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance and, if applicable, the existence of any conflict of interest.
- 8.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chair of the Board. Once approved, the 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.

9. ANNUAL GENERAL MEETING

The Committee Chair should attend the AGM prepared to respond to any shareholder questions on the Committee's activities.

10. DUTIES

10.1 The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

10.2 The Committee shall:

- (a) regularly review the structure, size and composition (including the skills, knowledge, experience, tenure and diversity) (including gender) of the Board and make recommendations to the Board with regard to any changes;
- (b) give full consideration to succession planning for Directors and other senior managers in the course of its work, taking into account the challenges and opportunities facing the Company, the skills and expertise needed on the Board in the future and diversity;
- (c) 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;
- (d) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (e) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (f) before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity (including gender) on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment and lead the process for making any such appointment. In identifying suitable candidates the Committee shall:
 - (i) use open advertising or the services of external advisers to facilitate the search;
 - (ii) consider candidates from a wide range of backgrounds;
 - (iii) 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 sufficient time available to devote to the position;
 - (iv) review the leadership needs of the organisation; and
 - (v) ensure that there are no conflicts of interest;

for the appointment of a chair, the Committee should prepare a job specification, including the time commitment expected, recognising the need for availability in the event of crises. A proposed chair's other significant commitments should be disclosed to the Board before appointment and any changes to the chair's commitments should be reported to the Board as they arise;

- (g) ensure that on appointment, a candidate has sufficient time to undertake the role and review his or her commitments;
- (h) prior to the appointment of a Director, the proposed appointee should be required to disclose:
 - (i) 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; and

- (ii) their other significant commitments with a broad indication of the time involved and the Board should be informed of subsequent changes;
- (i) 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;
- (j) ensure that, on appointment to the Board, non-executive directors receive a full, formal and tailored induction on joining the Board;
- (k) review the results of the Board performance evaluation process that relate to the composition of the Board;
- (l) review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending sufficient time to fulfil their duties; and
- (m) work and liaise as necessary with all other board committees.

10.3 The Committee shall also make recommendations to the Board concerning:

- (a) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chair and chief executive;
- (b) suitable candidates for the role of senior independent non-executive director;
- (c) membership of the Audit and Remuneration Committees, and any other Board Committees as appropriate, in consultation with the chairs of those Committees;
- (d) the re-appointment of any non-executive director at the conclusion of their specified term of office (in particular, for any term beyond six years) 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;
- (e) the re-election by shareholders of Directors under the annual re-election provisions of the UK Corporate Governance Code (the "**Code**") and associated guidance 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 in the light of the knowledge, skills 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);
- (f) 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
- (g) the appointment of any Director to executive or other office.

11. REPORTING RESPONSIBILITIES

11.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

11.3 The Company's annual report shall describe the work of the Committee and the annual report shall also include:

- (a) the process used in relation to Board appointments, the approach to succession planning and how these support developing a diverse pipeline; and
- (b) the gender balance of the Board, senior management and employees.

12. OTHER MATTERS

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- (c) have regards to the Company's relationship agreement;
- (d) give due consideration to laws and regulations, including the general duties of directors set out in the Companies Act 2006, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate; and
- (e) at least once a year, 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.

13. AUTHORITY

- 13.1 The Committee is authorised to seek any information it requires from any employee of the Company, contractor, consultant or other provider of services to the Company (including legal and tax advisors) in order to perform its duties.
- 13.2 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. Where such expenses will be more than £5,000, the approval of the Board is required in advance.