

SUPERDRY PLC

NOMINATION COMMITTEE TERMS OF REFERENCE

Approved by the Board on 21 March 2019

SUPERDRY PLC (Company No. 07063562)

(the "Company")

NOMINATION COMMITTEE

TERMS OF REFERENCE

1. PURPOSE

1.1. Primary Functions

1.1.1. The Nomination Committee, (the "**Committee**"), is a Committee of the Board of Directors (the "**Board**"), charged with responsibility for:

1.1.1.1. reviewing the structure, size and composition of the Board and recommending changes;

1.1.1.2. considering and recommending succession planning strategy for executive, non-executive directors and senior management positions;

1.1.1.3. identifying and nominating for the approval of the Board candidates to fill Board vacancies or new positions as and when they arise; and

1.1.1.4. evaluating the balance of skills, experience, knowledge, independence and diversity of members of the Board and its Committees.

1.2. Reporting

1.2.1. The Committee chairman (the "**chairman**") will report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

1.2.2. The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required.

1.2.3. The Chairman (or in his absence, the Senior Independent Director), will attend the AGM prepared to respond to any shareholder questions on the Committee's activities.

1.2.4. The Committee shall produce a report to be included in the Company's annual report about its activities, its approach to succession planning, the process used to make appointments (including how this process has encouraged a diverse pipeline for succession) 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.

1.2.5. The report referred to in 1.2.4. above, should include a statement of the Board's policy on diversity and inclusion, including gender and ethnicity, how this policy is implemented, any measurable objects that it has set for implementing the policy and progress on achieving the objectives.

- 1.2.6. The report referred to in 1.2.4 above should include a description of the annual Board and Committee evaluation process. The report should contain a quantitative illustration of the gender balance of senior management and their direct reports.

2. THE COMMITTEE

2.1. Membership

- 2.1.1. The Committee will comprise of at least three directors. A majority of the members of the Committee should be independent non-executive directors. All appointments to the Committee will be made by the Board.
- 2.1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, other directors, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.1.3. Appointments to the Committee will be for a period of up to three years, which may be extended for two further three-year periods provided that the majority of the Committee members remain independent.
- 2.1.4. The Board will appoint the chairman who should be either the Chairman of the Board or the Senior Independent Director. In the absence of the chairman, the Senior Independent Director will chair the meeting and when the Committee is dealing with the matter of succession to the chairmanship.

2.2. Secretary

The Company Secretary, or their nominee, will act as the secretary of the Committee. Minutes will be available to all Board directors.

2.3. Quorum

The quorum necessary for the transaction of business will be two members both of whom must be independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present will be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

2.4. Role of Members

Committee members will utilise their personal skills, knowledge and judgement to perform the responsibilities set out below.

2.5. Responsibilities

- 2.5.1. The Committee should carry out the duties below for the Company and its subsidiaries as a whole (the "**Group**"), as appropriate.
- 2.5.2. *Annual General Meeting:*
 - 2.5.2.1. The chairman (or, in his absence, the Senior Independent Director) will attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.
- 2.5.3. *The Committee will:*

- 2.5.3.1. regularly review the structure, size and composition (including the skills, experience, knowledge, independence and diversity) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- 2.5.3.2. give full consideration to 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 what skills and expertise are therefore needed on the Board to ensure the long term success of the group;
- 2.5.3.3. be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 2.5.3.4. approve the appointment of members of the executive committee on the recommendation of the chief executive officer;
- 2.5.3.5. before any appointment is made by the Board, evaluate the balance of skills, experience, knowledge, independence 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 will:
 - 2.5.3.5.1. use open advertising or the services of external advisers to facilitate the search;
 - 2.5.3.5.2. consider candidates from a wide range of backgrounds in order to encourage a diverse pipeline for succession; and
 - 2.5.3.5.3. consider candidates on merit and against objective criteria, taking account of whether appointees have enough time available to devote to the position;
- 2.5.3.6. for the appointment of a Chairman of the Board, 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 their commitments should be reported to the Board as they arise, and their impact explained in the next annual report;
- 2.5.3.7. 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 and should also identify any significant commitments, with an indication of the time obligations involved in those activities. Additional external appointments should not be taken on without prior Board approval;
- 2.5.3.8. 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;
- 2.5.3.9. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;

- 2.5.3.10. review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
 - 2.5.3.11. 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, Committee service and involvement outside Board meetings;
 - 2.5.3.12. review the results of the Board performance evaluation process that relate to the composition of the Board and act on any significant findings; and
 - 2.5.3.13. work and liaise as necessary with all other Board committees.
- 2.5.4. *The Committee will also make recommendations to the Board concerning:*
- 2.5.4.1. formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chairman and chief executive officer;
 - 2.5.4.2. suitable candidates for the role of senior independent director;
 - 2.5.4.3. membership of the audit and remuneration committees, in consultation with the chairmen of those committees;
 - 2.5.4.4. 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 the knowledge, skills and experience required;
 - 2.5.4.5. the re-election by shareholders of any director under the annual re-election provisions of the 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 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);
 - 2.5.4.6. 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
 - 2.5.4.7. the appointment of any director to executive or other office.

3. MEETINGS

3.1. Meeting Frequency and Schedule

The Committee will meet at least three times a year and at such other times as the chairman of the Committee will require.

3.2. Notice of Meetings

- 3.2.1. Meetings of the Committee will be called by the secretary of the Committee at the request of the Committee chairman.

- 3.2.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, will 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 will be sent to Committee members and to other attendees as appropriate, at the same time.

3.3. **Minutes**

- 3.3.1. The secretary will minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 3.3.2. Minutes of Committee meetings will be agreed with the chairman and then circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

4. **OTHER**

The Committee will:

- 4.1.1. 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;
- 4.1.2. have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 4.1.3. 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; and
- 4.1.4. give due consideration to laws and regulations, 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.

5. **AUTHORITY**

- 5.1. The Committee is authorised by the Board to investigate any activity or state of affairs within its terms of reference.
- 5.2. The Committee is authorised to seek any information it requires from any employees or officers. In seeking any advice or assistance from any of the Company's executives, to ensure that such role is clearly separated from the executive's role within the business.
- 5.3. The Committee is authorised to obtain, at the Company's expense, expert advice from the Company's auditors, professional advisers or otherwise, and to take independent professional advice and to require the attendance of outsiders with relevant experience and expertise if it considers it necessary.
- 5.4. The Committee is authorised to select, set the terms of reference and appoint appointment consultants, at the Company's expense.