



The Law Debenture Corporation p.l.c.

Nomination Committee Terms of Reference

1. Constitution

- 1.1 The Law Debenture Corporation p.l.c.'s (the "Corporation") Board has established a Nomination Committee (the "Committee").
- 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 and without limitation, the establishment of sub-committees which are to report to the Committee.

2. Membership

- 2.1 The Committee shall be appointed by the Board, a majority of which will be independent non-executive directors and shall consist of not less than three members. Appointments to the Committee shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the director still meets the criteria for membership of the Committee.
- 2.2 The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director. If the Chairman of the Board is appointed, they shall not chair the Committee when it is dealing with the matter of succession to the Chairmanship of the Corporation.
- 2.3 In the absence of the Chairman, if the meeting is quorate, the Committee members present first shall agree that one of them should act as Chairman for the purposes of the meeting. If the meeting is not quorate, it shall be postponed.
- 2.4 The Chairman of the Committee shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.

3. Quorum

- 3.1 The quorum shall be two members.

4. Attendance at meetings

- 4.1 Only Committee members have the right to attend Committee meetings.
- 4.2 The Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the General Counsel, external advisors and other individuals may be invited to attend all or part of any meeting, as and when appropriate.

5. Secretary

- 5.1 The Corporate Secretary for the Corporation shall be the Secretary of the Committee.

- 5.2 A representative of the Corporate Secretary shall attend meetings and will ensure that the Committee receives information and papers to enable full and proper consideration to be given to issues.
- 5.3 If the Committee wishes to meet without a representative of the Corporate Secretary, a member of the Committee shall act as Secretary for that meeting.
- 5.4 The Corporate Secretary (in conjunction with the General Counsel) shall advise the Committee on The Law Debenture Corporation plc's group of companies' (the "Group") compliance regarding their remit, the requirements of the Corporation's Articles of Association, company law in general, the requirements of the UK Corporate Governance Code (the "Code") and any other obligations under the Listing Rules of the FCA.
- 5.5 The Corporate Secretary shall minute the proceedings and decisions of all Committee meetings.

6. Frequency of meetings

- 6.1 Meetings shall be held not less than once per year.
- 6.2 Any member may request a meeting if they consider one necessary.
- 6.3 The Committee will hold such additional meetings as it considers necessary to perform its duties as specified below.
- 6.4 Meetings of the Committee shall be called by the Secretary at the request of the Chairman of the Committee or any of its members.
- 6.5 Outside of the formal meeting programme, the Committee Chairman shall maintain a dialogue with key individuals involved in the Corporation's governance, including but not limited to the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the General Counsel and the Corporate Secretary.

7. Authority

- 7.1 The Committee is authorised by the Board to:
 - (i) investigate any activity which it considers to be relevant to the carrying out of its duties within its terms of reference;
 - (ii) seek any information it requires from any Group employee and all Group employees are directed to co-operate with any request made by the Committee; and
 - (iii) obtain outside legal or other independent professional advice on matters falling within its terms of reference and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

8. Duties

- 8.1 The Committee shall have oversight of the Group as a whole and, unless required otherwise by regulation, shall carry out the duties below for the Corporation, subsidiaries and the Group as a whole, as appropriate:

- (i) keep under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the market place;
- (ii) formulate plans for the orderly succession of executive and non-executive directors' roles and in particular for the key roles of Chairman and Chief Executive Officer and overseeing the development of a diverse pipeline of talent leading up to Board and other Executive Management positions by:
 - regularly reviewing the structure, size and composition of the Board, including the diversity of the directors' skills, knowledge, experience, social and ethnic background, nationality, cognitive and personal strengths, outlook, approach and gender, the length of service of the non-executive directors and the balance of independent and non-independent directors;
 - keeping up to date and fully informed about strategic issues and commercial changes affecting the Group and the markets in which it operates and considering the challenges and opportunities facing the Group when determining the current and future skills and expertise required at Board and Executive Management level,
 - keeping under review the Diversity Policy, its objectives and linkage to the Corporation's strategy, how it has been implemented and the progress on achieving the objectives and taking into consideration the opportunities available to the Group to further promote diversity and inclusion at Board and Executive Management levels;
 - considering succession planning for the Chairman, insofar as practicable, taking into account that the Chairman should not remain in post beyond nine years from the date of first appointment to the Board; and
 - making recommendations to the Board as appropriate;
- (iii) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (iv) in nominating directors, give due regard to the Code and associated guidance, to the extent appropriate and applicable;
- (v) before any appointment is recommended to the Board, evaluate the balance of skills, knowledge, experience, independence and diversity on the Board, and, in the light of this current and future evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall consider:
 - using open advertising or the services of external advisers to facilitate the search; and
 - candidates from a wide range of backgrounds;

- (vi) ensure that appointments to the Board and succession plans are based on merit and objective criteria and, within that context, promote diversity of skills, knowledge, experience, gender, social and ethnic backgrounds, cognitive and personal strengths;
- (vii) prior to the appointment of a director, the proposed appointee should be required to disclose any other interests that may result in a conflict of interest and be required to report any potential interests that could result in a conflict of interest;
- (viii) review on an annual basis as part of the performance evaluation of the individual directors, whether they have sufficient time to fulfil their duties;
- (ix) 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;
- (x) review annually the Board Tenure and Succession Planning Policy and recommend any changes it considers necessary to the Board for approval;
- (xi) monitor the tenure of each director against the Board Tenure and Succession Planning Policy and present its recommendations, if any, to the Board;
- (xii) review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning, taking account of the Board Diversity and Tenure and Success Planning Policies and assess the overall and individual effectiveness including the consideration of balance of skills. The Senior Independent Director shall lead the appraisal of the Chairman annually and report to the Board in the Chairman's absence;
- (xiii) ensure the provision of an induction programme for new directors and monitor the professional development and training needs of existing directors; and
- (xiv) consider any other matter specifically referred to the Committee by the Board. The Committee shall also make recommendations to the Board:
 - concerning suitable candidates for the role of Senior Independent Director;
 - to assess and recommend which directors are independent or not independent for approval by the Board and for disclosure in the annual report;
 - to review annually the time required to perform the duties of a director and assess whether the directors are spending enough time to fulfil these duties; and
 - the election or re-election by shareholders of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the Corporation'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.

9. Reporting and governance procedures

9.1 The Committee shall ensure that a report on its activities is included in the Corporation's annual report, covering the areas prescribed by the Code including:

- (i) the process used for appointments, its approach to succession planning and how both support the development of a diverse pipeline;
- (ii) how Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual directors, the outcomes and actions taken and how it has influenced or will influence Board composition; and
- (iii) the policy on diversity and inclusion, its objective and linkage to the Corporation's strategy, how it has been implemented and progress on achieving the objectives.

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

9.3 Minutes of meetings of the Committee shall be made available to all members of the Board.

9.4 The Committee should ensure that a periodic evaluation of its performance is carried out.

9.5 At least annually, the Committee should review its constitution and terms of reference and recommend any changes to the Board.

10. Shareholder engagement

10.1 In normal circumstances, the Committee Chairman should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

10.2 In addition, the Committee Chairman should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

Approved by the Board on 17 December 2020