



## **Nomination Committee - Terms of reference**

The Nomination Committee of the board of directors of the Company (the “Board”) has been established with delegated powers in accordance with the articles of association. These Terms of Reference shall be published on the Company’s website.

### **1. MEMBERSHIP**

**1.1** The Nomination and Corporate Governance Committee shall consist of at least three members (the “Committee”) each of whom shall be appointed by the Board in consultation with the Chair of the Committee.

**1.2** The majority members of the Committee shall be independent non-executive directors.

**1.3** If any member of the Committee is unable to act for any reason, the Committee Chair may appoint any other independent non-executive director of the Company to act as his alternate.

**1.4** Only members of the Committee have the right to attend Committee meetings. However, the Committee may invite the Chair of the Board, the Chief Executive Officer or any other person to attend all or any part of any meeting as and when appropriate and necessary.

**1.5** The Board shall appoint 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 themselves to chair the meeting, although the Chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chairship.

### **2. SECRETARY**

The Company Secretary or his or her nominee shall act as the secretary of the Committee.

### **3. QUORUM**

The quorum shall be two members present in person or linked by telephone or video conference facilities, and 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.

### **4. FREQUENCY OF MEETINGS**

The Committee shall meet at least once a year and otherwise as required.

### **5. NOTICE OF MEETINGS**

**5.1** Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.

**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, any other person required to attend and all other non-executive directors no later than three working days before the date of the meeting.

## **6. MINUTES OF MEETINGS**

**6.1** The Secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

**6.2** Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board.

## **7. AUTHORITY**

In connection with its responsibilities the Committee may select, set the terms of reference and appoint external consultants at the Company's expense.

## **8. RESPONSIBILITIES**

**8.1** The Committee shall:

**(a)** regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, senior executive team and operating board and make recommendations to the Board with reference to any changes;

**(b)** give full consideration to succession planning for the roles of the Chair, Chief Executive Officer, Chief Financial Officer, directors and Group Leadership Team and other senior executives, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;

**(c)** be responsible for identifying and nominating, for the approval of the Board, candidates to fill board vacancies as and when they arise;

**(d)** before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity of 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:

**(i)** may use open advertising or the services of external advisers to facilitate the search;

**(ii)** may consider candidates from a wide range of backgrounds; and

**(iii)** shall 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;

**(e)** for the appointment of a Chair prepare a job specification, including the time commitment expected. 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;

**(f)** prior to the appointment of a director, require the proposed appointee 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;

**(g)** 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;

**(h)** 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;

**(i)** consider 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;

**(j)** assist the Board in the consideration and development of appropriate corporate governance principles, such as (for example) those relating to potential related party transactions;

**(k)** conduct an annual board performance evaluation process that relates to the composition and operation of the Board and individual directors and succession planning; and

**(l)** review all conflicts of interest, including those with the shareholders and recommend a course of action to the Board.

**8.2** 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, Chief Executive Officer and Chief Financial Officer;

**(b)** suitable candidates for the role of senior independent director;

**(c)** membership of the Audit and Risk, Remuneration and the Responsible and Sustainable Business Committee, 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 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 any director 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 and why their contribution is important

to the Company's long term sustainable success in terms of the knowledge, skills and experience required and the need for progressive refreshing of the Board;

**(f)** any matters relating to corporate governance principles, such as those relating to potential related party transactions;

**(g)** any matters relating to conflicts of interest;

**(h)** 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,

**(i)** the appointment of any director to executive or other office; and

**(j)** directors who will be retiring by rotation to be proposed for re-election.

## **9. REPORTING RESPONSIBILITIES**

**9.1** The Committee shall produce a report to be included in the Company's annual report about its activities, including:

**(a)** have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;

**(b)** to consider other matters as referred to the Committee by the Board;

**(c)** 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;

**(d)** 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 for Board approval;

**(e)** give due consideration to laws and regulations, the provisions of the UK Corporate Governance 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

**(f)** be authorised to (i) seek any information it requires from any employee of the Company in order to perform its duties, (ii) call any employee to be questioned at a meeting of the Committee as and when required, and (iii) obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference.

As approved by the Board on 27 May 2021.

DFS Furniture PLC