

Rothsay

# Nomination Committee

Terms of Reference

September 2019



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# Nomination Committee

## Terms of Reference

### 1. Definitions

Annual Report	The Group's annual report and accounts
Board	Rothesay Limited board of directors
Chair	Chair of the Committee
Chief Executive Officer	The Group's chief executive officer
Chief Financial Officer	The Group's chief financial officer
Chief Risk Officer	The Group's chief risk officer
Committee	Rothesay Limited Nomination Committee
Company	Rothesay Limited
Company Secretary	The company secretary(s) for Rothesay Limited
Executive Director	Executive director of the Company or Rothesay Life Plc
Group	Rothesay Limited and its subsidiaries
Independent Non-Executive Director	Non-Executive Director of the Company or Rothesay Life Plc who is independent in the opinion of the Board
Managing Director	The Group's managing director
Non-Executive Director	Director of the Company or Rothesay Life Plc who is not an Executive Director
Rothesay Life Board	Rothesay Life Plc board of directors
Senior Management	The Executive Directors, the chief risk officer, the chief operating officer, the chief investment officer, the head of asset and liability management and the general counsel of the Company

## **2. Purpose**

The Committee is responsible for monitoring the balance of skills, knowledge, experience and diversity on the Board and the Rothesay Life Board, recommending board, board committee and senior management appointments to the Board and the Rothesay Life Board, as appropriate, and monitoring succession plans for the Executive Directors and the development plans of senior management within the Group.

## **3. Membership**

- 3.1 Members of the Committee shall be appointed by the Board in consultation with the Chair.
- 3.2 The Board shall appoint the Chair who should be either the chair of the Board or an Independent Non-Executive Director.
- 3.3 Appointments shall be for a period of up to three years, extendable by additional periods of three years, so long as members continue to meet the criteria for membership of the Committee.
- 3.4 The Committee shall consist of not less than three members.
- 3.5 All members of the Committee shall be Non-Executive Directors, and the majority of the members shall, in the opinion of the Board, be Independent Non-Executive Directors.

## **4. Meetings and attendance**

- 4.1 Only members of the Committee have the right to attend Committee meetings. Other individuals, such as Board or Rothesay Life Board members, members of senior management and any external advisers appointed by the Committee may attend all or any part of any meeting of the Committee if invited by the Committee, as and when appropriate and necessary.
- 4.2 In the absence of the Chair, the remaining members present shall elect one of the Independent Non-Executive Directors to chair the meeting.
- 4.3 The chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the chair.

## **5. Quorum and voting**

- 5.1 A quorum necessary for the transaction of business shall be three members including two 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 Only members of the Committee may vote at Committee meetings
- 5.4 Matters arising at any Committee meeting shall be determined by a majority of votes.
- 5.5 In the case of an equality of votes, the Chair shall have a second or casting vote (unless he/she is not entitled to vote on the resolution in question).

## **6. Approvals in writing**

The Committee may exercise all or any of the authorities, powers and discretions vested in or exercisable by it by written resolution. Any such written resolution may be effected by email. The quorum for approval of any written resolution by the Committee shall be three members including two Independent Non-Executive Directors, indicating their agreement to the same.

## **7. Secretary**

- 7.1 The Company Secretary or their nominee shall act as secretary of the Committee.
- 7.2 The secretary of the Committee shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

## **8. Frequency and notice of meetings**

- 8.1 The Committee shall meet not less than once a year and at such other times as are required.
- 8.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chair.
- 8.3 The Chair or any other member of the Committee may convene additional meetings at any time to deal with matters in the remit of the Committee.
- 8.4 The chair of the Board, the Chief Executive Officer, the Managing Director or the Chief Financial Officer may also request a meeting via the Chair if considered necessary.
- 8.5 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 five 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.

## **9. Minutes of meetings**

- 9.1 The secretary of the Committee shall minute the proceedings of all meetings of the Committee, including recording the names of those present and in attendance and retain copies of the papers.
- 9.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Chair it would be inappropriate to do so.
- 9.3 The secretary of the Committee shall record all actions, and ensure that they are clearly assigned, completed and reported back to the Committee.
- 9.4 Final signed copies of the minutes of the meetings of the Committee should be maintained for the Company's records.

## **10. Duties**

The Committee is responsible for:

- 10.1 regularly reviewing the structure, size and composition (including the skills, knowledge, experience, diversity and independence) of the Board and the Rothesay Life Board and making recommendations to the Board and the Rothesay Life Board with regard to any changes;
- 10.2 giving full consideration to succession planning for directors and other persons occupying senior management positions in the Group, taking into account the challenges and opportunities facing the Group, and the skills and expertise needed on the Board, the Rothesay Life Board and the other levels of senior management in the future;
- 10.3 identifying and nominating, for the approval of the Board or the Rothesay Life Board, as applicable, candidates (both executive and non-executive) to fill Board or Rothesay Life Board vacancies as and when they arise;
- 10.4 before any appointment is made by the Board or Rothesay Life Board, as applicable, evaluating the existing balance of skills, knowledge, experience, diversity and independence on the Board and Rothesay Life Board, and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment. In identifying suitable board candidates the Committee may:
  - i) use open advertising or the services of external advisers to facilitate the search; and
  - ii) consider candidates on merit and against objective criteria and with due regard for the benefits of independence on the Board, taking care that appointees have sufficient time to devote to the position;
- 10.5 keeping under review whether to recommend the adoption of measurable objectives for achieving diversity on the Board and the Rothesay Life Board, in accordance with Rothesay Life's Board Diversity Policy;
- 10.6 annually reporting on the process used in relation to appointments to the Board and Rothesay Life Board in the Annual Report including a summary of the progress made towards achieving any measurable objectives in relation to diversity on the Board and the Rothesay Life Board;

- 10.7 annually reviewing the time required from members of the Board and Rothesay Life Board (including the chair), and considering whether the current chair(s) and the Non-Executive Directors are able to continue to devote the time that is necessary to successfully fulfil their roles;
- 10.8 overseeing the appointment of any person (who is not an Executive Director) to Senior Management;
- 10.9 recommending to the Board or the Rothesay Life Board, as appropriate, whether to re-appoint a director (Executive or Non-Executive) at the end of his or her term of office and if so for how long;
- 10.10 considering any other matters as may be requested by the Board or the Rothesay Life Board; and
- 10.11 working and liaising as necessary with both Board and Rothesay Life Board committees.

## **11. Governance and reporting responsibilities**

- 11.1 The Chair shall report formally to the Board on its proceedings after each meeting on all matters which fall within the Committee's remit, making recommendations when requested or deemed appropriate.
- 11.2 If the Committee is not satisfied with any aspect of the Group's board structure, the composition of the respective boards and board committees, the Group's succession planning or any other areas within the Committee's duties or remit above, the Committee shall promptly report its views to the Board.
- 11.3 The Committee shall, if appropriate, produce a report on its activities to be included in the Annual Report.

## **12. Authority**

The Board authorises the Committee:

- 12.1 to seek any information it requires from any employee in order to perform its duties;
- 12.2 to obtain, at the Group's expense, external legal, actuarial, risk management or other professional advice on any matter within these Terms of Reference;
- 12.3 to call any employee to be questioned at a meeting of the Committee as and when required; and
- 12.4 to delegate any of its duties, as appropriate, to such person or persons as it sees fit.

## **13. Annual performance evaluation and Terms of Reference**

The Committee should conduct an annual performance evaluation of the Committee regarding its activities and effectiveness, including member participation, and provide the results of the evaluation to the Board. The evaluation should include an assessment of the performance of the Committee against the duties and responsibilities set out in these Terms of Reference and should entail a review of these Terms of Reference. The Committee should recommend any changes it considers necessary to the Terms of Reference to the Board.

## **14. Other matters**

The Committee shall:

- 14.1 have access to sufficient resources in order to carry out its duties, including access to the Group's company secretariat function for assistance as required;
- 14.2 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;
- 14.3 give due consideration to laws and regulations, including the general duties of directors set out in the Companies Act 2006, and other provisions, requirements and applicable rules, as appropriate; and
- 14.4 oversee any investigation of activities which are within these Terms of Reference.

**Approved by the Board on 17 September 2019**