



Nominations Committee

Terms of Reference

1. Constitution

- 1.1 The Nominations Committee is a committee of the Bazalgette Tunnel Limited (the Company) Board (the Board).
- 1.2 The Nominations Committee's terms of reference may be amended at any time by the Board.
- 1.3 The Nominations Committee may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the Board.

2. Membership and appointment

- 2.1 The Board shall appoint the Nominations Committee. The Nominations Committee shall comprise not less than five non-executive directors.
- 2.2 Each Shareholder Director shall have the right to appoint its Shareholder Director as a member to the Committee.
- 2.3 The Board shall appoint the Chair of the Nominations Committee from amongst the independent non-executive directors. The Board Chair may be appointed as the Chair of the Nominations Committee provided that the Nomination Committee is not dealing with the appointment of a successor to the chair.
- 2.4 A quorum shall be three members, in which case the Chair of the Nominations Committee is one. Any Shareholder Director or independent Non-Executive Director shall have the ability to waive their right to need to be present for quorum requirements or to give a proxy to another Director or Shareholder representative. A meeting shall not proceed with only one member.
- 2.5 Appointments to the Nominations Committee shall be for a period of up to three years or to the end of the relevant director's term of appointment, whichever is shorter, and may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Nominations Committee.

3. Secretary

- 3.1 The Head of HR shall be the Secretary of the Nominations Committee.

4. Attendance at meetings

- 4.1 No one other than the Nominations Committee members, independent Non-Executive Directors, Shareholder Directors and the HR Director shall be entitled to attend Nominations committee meetings unless by invitation of the Nominations Committee.

5. Frequency of meetings

- 5.1 Meetings shall be held not less than once a year or otherwise as required.

6. Notice of meetings

- 6.1 Meetings of the Nominations Committee shall be called by the secretary of the Nominations Committee at the request of any of its members.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and

- date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Nominations Committee, any other person required to attend, no later than five working days before the meeting.
- 6.3 At the discretion of the Chair and by exception, decisions may be made by email circular, or similar electronic means, provided all members are copied into the electronic exchange. In such instances, for such a decision to be valid, not less than 75% must reply to the Secretary to confirm their agreement. The Secretary shall be responsible for ensuring that decisions made by email are reported to the next meeting and for retaining an appropriate record.

7. Minutes of meetings

- 7.1 The Secretary shall minute the proceedings and decisions of all meetings of the Nominations Committee, including recording the names of those present and in attendance.
- 7.2 The minutes of Nominations Committee meetings shall normally be considered at the Board meeting following the Nominations Committee meeting, unless in the opinion of the Chair of the Nominations Committee it would be inappropriate to do so.

8. Duties

- 8.1 The Nominations Committee shall:
- 8.1.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
 - 8.1.2 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 the skills and expertise needed on the Board in the future.
 - 8.1.3 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.
 - 8.1.4 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
 - 8.1.5 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
 - 8.1.6 before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience 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 Nominations Committee shall:
 - use open advertising or the services of external advisers to facilitate the search;
 - consider candidates from a wide range of backgrounds; and
 - 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.
 - 8.1.7 for the appointment of a chair, the Nominations Committee should 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.

- 8.1.8 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.
 - 8.1.9 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.
 - 8.1.10 review the results of the Board performance evaluation process that relate to the composition of the Board.
 - 8.1.11 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.
 - 8.1.12 work and liaise as necessary with all other Board committees.
- 8.2 The Nominations Committee shall also make recommendations to the Board concerning:
- 8.2.1 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chair and chief executive.
 - 8.2.2 membership of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the chair of those committees.
 - 8.2.3 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 knowledge, skills and experience required.
 - 8.2.4 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.
 - 8.2.5 the appointment of any director to executive or other office.

9. Reporting Procedures

- 9.1 The Nominations Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.2 The Nominations Committee shall produce a report on its activities for inclusion in the Company's annual report.

10. Other matters

- 10.1 The Nominations Committee shall have access to sufficient resources to carry out its duties, including access to the executive management team of the Company; relevant written materials and other communications; and also access to the Company Secretary for assistance as required.
- 10.2 The Nominations Committee shall 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.
- 10.3 The Nominations Committee shall oversee any investigation of activities which are within its terms of reference.
- 10.4 The Nominations Committee shall arrange for periodic reviews of its own performance and, at least annually, review its 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.

11. Authority

- 11.1 The Nominations Committee is authorised by the Board to obtain, at the Company's expense and in consultation with the Chair of the Board and/or the Chief Executive, outside legal or other professional advice on any matters within its terms of reference.