

**ECORA ROYALTIES PLC**

**NOMINATION COMMITTEE (the “Committee”)**

**TERMS OF REFERENCE**

**Adopted by the Board of Ecora Royalties PLC (the “Company”) on 24 March 2020**

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**1. Purpose**

The objective of the Committee is to assist the Board in ensuring its composition is regularly reviewed and refreshed in order that it is effective and able to operate in the best interests of shareholders by ensuring that appointments to the Board are subject to formal, rigorous and transparent procedures and that an effective succession plan is maintained for the Board and senior management roles.

Where appointments to the Board are contemplated, the Committee should lead the process for such appointments and make recommendations to the Board.

**2. Scope**

The Committee shall be responsible for overseeing:

- a) board composition and performance;
- b) board and senior management appointments; and
- c) succession planning (executive and non-executive directors and senior management).

The Committee shall work and liaise with other board committees, as appropriate, including the remuneration committee in respect of any remuneration package that is to be offered to any new appointee of the Board.

**3. Membership and Appointment**

- 3.1 The Committee shall comprise all the non-executive directors.
- 3.2 The Chairman of the Board shall be the Committee Chair apart from when the Committee is dealing with the appointment of his/her successor. In the Committee Chair’s temporary absence, one of the other Committee members, either nominated by the Committee Chair or elected by the Committee, will act as Committee Chair.
- 3.3 Only members of the Committee shall have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

**4. Secretary**

- 4.1 The Company Secretary, or a nominee, shall be the secretary of the Committee.

**5. Quorum**

- 5.1 A quorum of the Committee shall comprise any two Committee members.
- 5.2 Members of the Committee may attend in person or participate by other means, including teleconference or video conference.

**6. Meetings**

- 6.1 The Committee shall meet not less than twice a year, and at other such times as any member, or the secretary of the Committee, shall require.
- 6.2 The Secretary of the Committee shall ascertain, at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly.
- 6.3 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.4 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so.

**7. Notice of Meetings**

- 7.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be circulated to each member of the Committee. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time, unless the Committee Chair, determines that it would be inappropriate for any one or more individuals to receive them.
- 7.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

**8. Reporting Procedures**

- 8.1 The Committee Chair shall report to the Board after each meeting on the matters discussed and the minutes of each Committee meeting shall be received by the full Board (as appropriate).
- 8.2 The Committee will report to the Board on its work in discharging its responsibilities during the year and the outcomes of its formal annual evaluation and provide a report on the work of the Nomination Committee for inclusion in the Annual Report. The report should include:

- a) a description of the Committee's process used in relation to appointments and its approach to succession planning and how both support developing a diverse pipeline;
  - b) if not covered elsewhere in the Annual Report, a description of how the 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 or will influence Board composition;
  - c) a description of the policy on diversity and inclusion, its objectives and linkage to Group strategy, how it has been implemented and the progress on achieving the objectives;
  - d) a description of the gender balance of those in senior management and their direct reports;
  - e) identify any external search agency used by the Company, alongside a statement of whether it has any connection with the Company or individual directors; and
  - f) if external advertising or search consultancy advice has not been used for the Chairman of the Board or independent non-executive director appointments, give reasons for this.
- 8.3 The Committee Chair (or another Committee member nominated by the Committee Chair) will attend the annual general meetings to respond to any shareholder questions on the Committee's activities.
- 8.4 The Committee Chair should seek engagement with shareholders on significant matters related to their area of responsibility.
- 9. Delegation**
- 9.1 The Committee has the delegated authority of the Board in respect of the functions and powers in these terms of reference. The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.
- 9.2 Where appropriate to ensure the ongoing operating efficiency of the Committee, the Committee may delegate responsibility to the Committee Chair to execute decisions on its behalf. In these instances, the Committee Chair would, where appropriate solicit the views of fellow Committee members.
- 10. Resources**
- 10.1 The Committee has full authority and resources to investigate all matters falling within its terms of reference and accordingly, the Committee may:

- (a) obtain, at the Group's expense, any external independent professional or expert advice, as it considers necessary in connection with its purpose and, if required, secure the attendance of such advisors at its meetings; and
- (b) have such direct access to the Group's resources as it may reasonably require including access to management.

**11. Review and Evaluation**

The Committee will undertake a formal annual evaluation of its effectiveness, including the role and responsibilities of the Committee, its organisation and effectiveness and the qualifications of its members. This shall include a review of these terms of reference.

## Appendix - Committee Responsibilities

### **Board Composition and Performance**

1. To review regularly the structure, size and composition of the Board and make recommendations to the Board with regard to the mix of skills, knowledge, experience, independence and diversity. Consideration should be given to the length of service of the Board as a whole, and how best its membership can be regularly refreshed. In doing so, the Committee will conduct a regular and proactive process of planning and assessment, taking into account the Group's strategic priorities and the main trends and factors affecting the long-term success and future viability of the Group.
2. To develop and recommend to the Board processes for the evaluation of the Board's overall performance and effectiveness, as well as that of its committees and individual directors. To review the results of the performance evaluation of the Board.
3. To ensure the evaluation of the Board's overall performance and effectiveness is externally facilitated at least every three years.
4. To review annually the time required to be committed to Group business by non-executive directors.
5. To review any proposed appointment of any executive director or other members of senior management to external non-executive roles and to make recommendations to the Board, having regard to the recommendation of the Corporate Governance Code 2018 (the "**Code**") that full-time executive directors should not take on more than one non-executive directorship in a FTSE 100 company or other significant appointment.
6. For both existing members of the Board and potential new appointments to the Board, review other non-executive and executive director positions held or proposed to be held by the relevant individuals and their consequent time availability to ensure that: (a) those relevant individuals have sufficient time to devote to their Board and Committee roles; and (b) any actual or perceived conflicts of interest arising from such external appointments are managed appropriately in accordance with the Company's Conflicts of Interest Policy, including any situational conflicts for the purposes of the UK Companies Act.
7. To require non-executive directors to apply to the Board for approval before undertaking additional external appointments and to consider as part of that process whether the number and scale of other appointments that the Chairman of the Board and/or any other non-executives is/are taking on may compromise their effectiveness.
8. Subject to paragraph 5 above, to authorise the Committee Chair, acting jointly with the Company Secretary and having also consulted with the Chief Executive Officer, to approve Board members taking on additional external appointments and assignments from time to time and as appropriate.

9. To have regard to the provisions of the Code stating the Chairman of the Board should not remain in post beyond nine years from the date of their first appointment to the Board, noting the acknowledgment in the Code that this period can be extended for a limited time to facilitate effective succession planning and the development of a diverse Board, particularly where the Chairman of the Board was an existing non-executive director on appointment.

#### **Board and Senior Management Appointments**

1. To evaluate the balance of skills, knowledge, experience, independence and diversity on the Board, and the future challenges affecting the business and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment (including the time commitment expected). It is important that this includes a proper assessment of values and expected behaviours.
2. To lead the process for appointments to both the Board and senior management positions.
3. To nominate for the consideration of the Board potential candidates to fill executive and non-executive director vacancies as and when they arise. Open advertising and/or an external search consultancy should generally be used for the appointment of the Chairman of the Board and non-executive directors.
4. To oversee the recruitment process for new non-executive directors including:
  - a. by identifying and nominating candidates from diverse backgrounds to fill vacancies and as when they arise; and
  - b. the formal assessment of each candidate and final selection process.
5. To require, before appointment, new appointees, including the Chairman of the Board, to disclose other significant commitments to the Board indicating the time commitment involved.
6. To recommend to the Board for approval, the membership of Board committees as appropriate, in consultation with the Chairman of the Board and the respective committee chairs, having taken into account the technical skills and knowledge required by the Board committees.
7. Having given due regard to their performance and ability to continue to contribute to the Board (in the light of the skills, knowledge, experience, independence and diversity required), to recommend to the Board the re-appointment of any non-executive director at the conclusion of their specified term of office, or the election or re-election of directors by shareholders.
8. To consider proposals, in relation to a director, for the dismissal, retirement, non-reappointment or any substantial change in their duties or responsibilities or the term of their appointment.

9. To confirm the terms of the formal letter of appointment for a new non-executive director, setting out clearly what is expected in terms of time commitment, committee service and involvement outside of Board meetings.

#### **Succession Planning**

1. To review succession planning for the Board and senior management, taking into account the challenges and opportunities facing the Group and the mix of skills, knowledge, experience, independence and diversity needed in the future, making recommendations to the Board, as appropriate. Succession planning should consider the following time horizons: contingency planning; medium-term planning and long-term planning.
2. To oversee the development of a diverse pipeline of talent for succession to Board and senior management roles, which may include adopting an active interest in how talent is managed throughout the Group.
3. To monitor the leadership needs of the Group, both executive and non-executive and in relation to senior management, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace.

#### **Approval History**

<b>Date</b>	<b>Version</b>	<b>Approved By</b>	<b>Details</b>
24/03/2020	1.0	The Board of Directors	Inclusion of substantive changes agreed by the Nomination Committee on 23 January 2020 and revisions to incorporate new 2018 UK Code