

# **NOMINATION COMMITTEE TERMS OF REFERENCE**

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## 1. Definitions

The following words have the following meanings:

“Board”	the Board of Directors of the Company
“CEO”	the Group Chief Executive Officer
“NED”	a non-executive director of the Company
“ExCo”	individuals holding senior executive positions reporting into the CEO
“Code”	the UK Corporate Governance Code 2024
“Committee”	the Nominations Committee of the Board
“Company”	Dialight Plc
“Group”	the Company and its subsidiary undertakings
“Secretary”	the secretary to the Committee, being the Company Secretary of the Company or their duly appointed nominee

## 2. Membership and Chair

- 2.1. The Committee shall comprise at least two directors, both of whom shall be non-executive directors excluding the Committee Chair. A majority of the members of the Committee shall be independent NEDs as determined by the Board in accordance with the Code.
- 2.2. The Chair of the Board may be a member of, and chair, the Committee provided they were independent on appointment as Chair. The Chair of the Board shall not chair the Committee when it is dealing with the succession to the role of Chair.
- 2.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the CEO, Chief People Officer / HR Director and external advisers may be invited to attend for all or part of any meeting, as appropriate.
- 2.4. Appointments to the Committee shall be made by the Board, on the recommendation of the Committee and shall be for a period of up to three years, extended for further periods of up to three years, provided members continue to meet the criteria for membership of the Committee.
- 2.5. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting, provided that the individual would be eligible for appointment as Chair by the Board.

## 3. Secretary

The Company Secretary, or their nominee shall act as Secretary of the Committee.

## 4. Quorum

The quorum shall be two members, both of whom must be independent NEDs. 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. Frequency of Meetings

The Committee shall meet at least twice a year and at such other times as the Committee Chair shall require.

## 6. Notice of Meetings

- 6.1. Meetings of the Committee shall be called by the Secretary at the request of the Committee Chair.
- 6.2. 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, and relevant attendees, no later than three working days before the date of the meeting, together with supporting papers.

## 7. Minutes of Meetings

- 7.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2. 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, unless a conflict of interest exists or it would be inappropriate to do so.

## 8. Annual General Meeting

The Committee Chair shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

## 9. Duties

- 9.1. The Committee should carry out the duties below for the Company, its subsidiaries and the Group as a whole, as appropriate.
- 9.2. General duties.  
The Committee shall:
  - 9.2.1. regularly review the structure, size and composition of the Board, including the balance of skills, experience, independence, knowledge and diversity.
  - 9.2.2. Ensure that Board composition and succession planning are aligned with the Company's purpose, values, strategy and desired culture and support long-term sustainable success.
  - 9.2.3. Lead the process for Board appointments and make recommendations to the Board, ensuring a formal, rigorous and transparent procedure.
  - 9.2.4. Oversee succession planning for the Board and senior management including:
    - 9.2.4.1. Long-term succession planning
    - 9.2.4.2. Contingency succession planning

9.2.4.3. Development of a diverse talent pipeline below Board level

9.2.5. 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 marketplace;

### 9.3. Diversity and Inclusion

The Committee shall:

9.3.1. Establish and oversee the implementation of a Board diversity and inclusion policy, covering diversity in its broadest sense, including (but not limited to) gender, ethnicity, social background, cognitive and experiential diversity

9.3.2. Set measurable objectives for diversity where appropriate and monitor progress

9.3.3. Ensure that appointments are made on merit and objective criteria, whilst promoting diversity and inclusion and maintaining an appropriate balance of skills and experience and taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future

9.3.4. Oversee the development of a diverse pipeline of candidates for Board and senior management roles

### 9.4. Appointment Process:

9.4.1. Before any appointment, evaluate the balance of skills, knowledge, experience and diversity on the Board and prepare a description of the role and capabilities required.

9.4.2. Use open advertising and / or external search consultants where appropriate and consider candidates from a wide range of backgrounds.

9.4.3. Ensure that potential candidates have sufficient time to devote to the role and disclose and potential conflicts of interest and other commitments prior to appointment

9.4.4. Ensure that all non-executive directors receive a formal letter of appointment an appropriate induction

### 9.5. Time Commitment and Over boarding

9.5.1. Ensure that each director can allocate sufficient time to discharge their responsibilities effectively.

9.5.2. Review annually the external commitments of directors and assess whether they impact performance.

9.5.3. Consider the results of Board evaluation in assessing whether directors are contributing effectively.

### 9.6. Board Evaluation

9.6.1. Oversee the annual evaluation of the Board, its Committees and individual directors.

9.6.2. Consider conducting an externally facilitated Board evaluation periodically, for

example every three years, in line with best practice for larger listed companies

- 9.6.3. Consider the outcomes of evaluations and ensure that any actions relating to Board composition and effectiveness are addressed.

#### 9.7. Recommendations to the Board

The Committee shall make recommendations concerning:

- 9.7.1. succession plans for the Chair, CEO and other key roles;
- 9.7.2. appointment of the Senior Independent Director;
- 9.7.3. membership and chairing of Board Committees;
- 9.7.4. re-appointment and re-election of directors;
- 9.7.5. continuation in office of any director;
- 9.7.6. appointment of directors to executive or other roles.

#### 9.8. Stakeholder Considerations

In carrying out its duties, the Committee shall, where appropriate, take into account workforce and wider stakeholder perspectives relevant to Board composition and succession.

### 10. Reporting Responsibilities

- 10.1. In carrying out their responsibilities the Committee members shall act in accordance with the statement of directors' duties set out in sections 171 -177 of the Companies Act 2006.
- 10.2. The chair of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities
- 10.3. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.4. The Committee shall produce a report for inclusion in the Group's annual report describing:
  - 10.4.1. the work of the Committee;
  - 10.4.2. the outcomes and impact of its activities;
  - 10.4.3. the process used for appointments;
  - 10.4.4. how diversity and inclusion objectives have been applied;
  - 10.4.5. progress on succession planning;
  - 10.4.6. the approach to Board evaluation and its impact on Board composition.
- 10.5. Where external search consultants are used, the report shall identify them and confirm whether they have any connection with the Company

### 11. Other matters

The Committee shall:

- 11.1. have access to sufficient resources in order to carry out its duties, including access to the Secretary for assistance as required;
- 11.2. be provided with appropriate induction and ongoing training
- 11.3. give due consideration to applicable laws and regulations, including the Financial Conduct Authority Listing Rules, Prospectus Regulation Rules and Disclosure and Transparency Rules
- 11.4. Review its own performance, constitution and these terms of reference annually to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **12. Authority**

The Committee is authorised by the Board to:

- 12.1. Seek any information it requires from any employee
- 12.2. obtain, at the Company's expense, independent legal or other professional advice
- 12.3. secure the attendance of external advisors where necessary