

## **IG DESIGN GROUP PLC (THE “COMPANY”)**

### **NOMINATION COMMITTEE - TERMS OF REFERENCE 23 November 2022**

#### **1. BACKGROUND**

The Board of Directors of the Company (the “Board”) has established a Nomination Committee (the “Committee”). These terms of reference replace any previous terms of reference for any nomination committee of the Board.

#### **2. DUTIES OF THE COMMITTEE**

##### **2.1 The Committee shall:**

- (i) 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.
- (ii) Ensure plans are in place for orderly succession to Board and senior management positions, and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future.
- (iii) Keep under review the leadership needs of the organisation, both executive and nonexecutive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- (iv) Keep up-to-date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates.
- (v) Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- (vi) 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 and the time commitment expected. In identifying suitable candidates the committee shall:
  - (a) use open advertising or the services of external advisers to facilitate the search;
  - (b) consider candidates from a wide range of backgrounds;
  - (c) consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the Board and taking care that appointees have enough time available to devote to the position.

- (vii) Prior to the appointment of a director, other significant time commitments should be disclosed and any additional future commitments should not be undertaken without prior approval of the Board. The proposed appointee should also be required to disclose any other business interests that may result in a conflict of interest. These must be authorised by the Board prior to appointment and any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the Board.
- (viii) 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 of Board meetings.
- (ix) Review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning.
- (x) Review periodically 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.
- (xi) Work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

The Committee shall also make recommendations to the Board concerning:

- (xii) Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved.
- (xiii) Suitable candidates as new directors and succession for existing directors.
- (xiv) Membership of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the chair of those committees.
- (xv) The re-appointment of non-executive directors 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.
- (xvi) The re-election by shareholders of directors under 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 the light of the skills, experience and knowledge required and the need for progressive refreshing of the board, taking into account the length of service of individual directors, the chair and the Board as whole.
- (xvii) 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.

(xviii) The appointment of any director to executive or other office.

### **3. COMPOSITION**

- 3.1 Members of the Committee shall be appointed by the Board and shall be made up of at least three members. A majority of the members of the Committee shall be independent non-executive directors of the Company. If any member of the Committee is determined by the Board no longer to be independent and that would result in a majority of the Committee not being independent non-executive directors, that director shall cease to be a member of the Committee.
- 3.2 The Board shall appoint the Chairman of the Committee who shall be either the Chairman of the Board or an independent non-executive director. The Chairman of the Board shall not chair the Committee when it is dealing with the appointment of a successor to the chairmanship. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of the Independent non-executive directors to chair the meeting.
- 3.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of the meeting, as and when appropriate and necessary.
- 3.4 Appointments to the Committee shall be for a period of up to three years, extendable for two further three-year periods, provided that the majority of the Committee members remain independent.

### **4. QUORUM**

- 4.1 The quorum necessary for the transaction of business shall be two members.
- 4.2 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. MEETING ADMINISTRATION**

- 5.1 The Committee shall meet at least once a year and at such other times as the Committee Chairman shall require.
- 5.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chairman.
- 5.3 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date and dial-in details (if required), together with an agenda of the 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, as soon as practicable and in any event 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.

- 5.4 All proceedings of the Committee shall be conducted in accordance with the Company's articles of association.

## **6. SECRETARY**

- 6.1 The Company Secretary or such person as the Company Secretary nominates shall act as the secretary of the Committee.
- 6.2 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.3 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.4 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, minutes should be circulated to all members of the Board, unless a conflict of interest exists or it would be inappropriate to do so.

## **7. SELF EVALUATION**

The Committee shall, periodically, review its own performance, 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.

## **8. REPORTING RESPONSIBILITIES**

- 8.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2 The Committee shall make such recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed.
- 8.3 The Committee Chairman shall attend the AGM prepared to respond to any shareholder questions on the Committee's activities.

## **9. OTHER MATTERS**

The Committee shall:

- (i) Have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;
- (ii) 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;
- (iii) Give due consideration to laws and regulations, the provisions of the QCA Corporate Governance Code and the requirements of the AIM Rules for Companies, and any other applicable rules, as appropriate; and

- (iv) Oversee any investigation of activities which are within its terms of reference.

**10. AUTHORITY**

The Committee is authorised by the Board to:

- (i) Undertake any activity within its terms of reference;
- (ii) Seek any information that it requires from any Group employee in order to perform its duties;
- (iii) Obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend at meetings of the Committee; and
- (iv) Delegate any of its powers to one or more of its members or the secretary of the Committee.