

**POLYMETAL INTERNATIONAL PLC (the *Company*)**

**NOMINATION COMMITTEE – TERMS OF REFERENCE**

The terms of reference follow the UK Corporate Governance Code and recommend a majority of members should be independent non-executive directors (although it gives no guidance on the size of the Committee).

The terms of reference provide that the Committee will consist of at least three members, a majority of which will be independent non-executive directors. The Committee chair may be either the chair of the Board or an independent non-executive director. The quorum is two members, both of whom must be independent non-executive directors. The Committee will meet at least twice a year and notice and supporting papers must be sent at least five working days before the meeting unless all Committee members agree otherwise.

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## NOMINATION COMMITTEE - TERMS OF REFERENCE

### 1. BACKGROUND

1.1 The Board of Directors of the Company (the *Board*) has resolved to establish a Nomination Committee (the *Committee*). These terms of reference replace any previous terms of reference for any nomination committee of the Board.

1.2 In this document '*Group*' means the Company and its subsidiary undertakings from time to time.

### 2. DUTIES OF THE COMMITTEE

2.1 The Committee shall:

- (a) lead a formal, rigorous and transparent process for Board appointments and make recommendations to the Board;
- (b) regularly review the Board structure, size and composition, including its skills, knowledge, independence, experience and diversity (including of gender, social and ethnic backgrounds and cognitive and personal strengths) and make recommendations to the Board about any changes that the Committee considers necessary;
- (c) consider plans and make recommendations to the Board for orderly succession for appointments to the Board and to senior management, so as to maintain an appropriate combination of skills, experience and knowledge within the Company and on the Board to oversee the development of a diverse pipeline for succession and to ensure progressive refreshing of the Board, taking into account the challenges and opportunities facing the Company and its Group;
- (d) 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;
- (e) be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (f) before any appointment is made by the Board, evaluate the combination of skills, knowledge, experience, independence and diversity (including of gender, social and ethnic backgrounds and cognitive and personal strengths) 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 expected time commitment. In identifying suitable candidates the Committee shall:
  - (i) use open advertising or the services of external advisers to facilitate the search;

- (ii) consider candidates from a wide range of backgrounds;
  - (iii) 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; and
  - (iv) consider other demands on candidates' time, to ensure they would have sufficient time to meet their Board responsibilities;
- (g) require directors and proposed appointees to the Board to disclose (i) any other interests that may result in a conflict of interest with their position as a director or the interests of the Company and (ii) significant commitments, with an indication of the time involved;
- (h) require directors to apply to the Board for approval before undertaking additional external appointments;
- (i) 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;
- (j) review the results of the Board performance evaluation process that relate to the composition of the Board and whether non-executive directors are spending enough time to fulfil their duties;
- (k) review annually the time required from non-executive directors;
- (l) make recommendations to the Board about suitable candidates for the role of senior independent director, and membership of the audit and risk, remuneration and safety and sustainability committees of the Board and any other board committees as appropriate, in consultation with the chair of the relevant committee;
- (m) make recommendations to the Board about whether to reappoint a director at the end of their term of office;
- (n) make recommendations to the Board about the re-election of directors;
- (o) make recommendations to the Board about 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;
- (p) for the appointment of a chair, to prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of a crises. A proposal of the 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;

- (q) ensure that the chair does not remain in the post beyond nine years from the date of their first appointment to the Board. This period can be extended for a limited time to facilitate effective succession planning and the development of a diverse board, particularly where the chair was an existing non-executive director on appointment;
- (r) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (s) prepare a statement for the annual report about its activities, the process used to make appointments and, explain if external advice or open advertising has not been used and give reasons for this. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company;
- (t) the statement for the annual report should include:
  - (i) a statement of the Board's policy on diversity and inclusion (including gender, social and ethnic backgrounds, cognitive and personal strengths), linkage to Company strategy any related objectives that it has set for implementing the policy, and progress on achieving objectives;
  - (ii) a description of the Committee's approach to succession and planning and how both support developing a diverse pipeline;
  - (iii) 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; and
  - (iv) a description of the gender balance of those in the Group leadership team;
- (u) work and liaise as necessary with all other board committees; and
- (v) consider any other matters as may be requested by the Board.

### **3. PROCEDURES**

3.1 The Committee shall have the following procedures:

#### **Non-executive directors**

- (a) when it is decided that a new appointment of a non-executive director is to be made, a short-list will be circulated by the Committee chair to members of the Committee and the executive director(s) (and other directors, if felt appropriate), for comment and the addition of any further potential

non-executive directors. The Committee may also engage a reputable firm of search consultants to recommend candidates;

- (b) a revised short-list will then be considered by the Committee and any appropriate changes will be made by the Committee;
- (c) short-listed candidates selected by the Committee will be seen in the first instance by the Committee chair and/or one other Committee member and executive director(s). If the Committee chair wishes to take the selection process further the potential candidate(s) will be invited to meet the Committee; and
- (d) the Committee will decide whether to recommend an appointment to the Board.

#### ***Executive directors***

- (a) the Committee chair and executive director(s) will submit a short-list of one or more candidates to be executive directors to the Committee;
- (b) the chair of the Board, executive director(s) and/or the Committee may engage a search consultant to assist in the selection of external candidates for a specific appointment;
- (c) some or all of the Committee's members will meet the candidate(s) selected for interview; and
- (d) the Committee's assessments will be reviewed with the chair of the Board and executive director(s) following which a candidate may be submitted to the Board for appointment.

#### **4. COMPOSITION**

4.1 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.

4.2 The Board shall appoint the chair of the Committee who shall be either the chair of the Board or an independent non-executive director. The chair of the Board shall not chair the Committee when it is dealing with the appointment of a successor to the chair. In the absence of the Committee chair and/or an appointed deputy, the remaining members present shall elect one of the independent non-executive directors to chair the meeting.

4.3 Only members of the Committee have the right to attend Committee meetings. However other individuals may be invited by the Committee to attend all or part of the meeting if it thinks it is appropriate or necessary.

4.4 An executive will not attend any Committee meeting at which his or her own nomination is being discussed.

4.5 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.

## **5. QUORUM**

5.1 The quorum necessary for the transaction of business shall be two members both of whom must be 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.

## **6. MEETING ADMINISTRATION**

6.1 The Committee shall meet as often as it deems necessary but in any case at least twice a year, at such time and places determined by the Committee chair and at such other times as the Committee chair shall require. Any of the Committee members may request a meeting of the Committee if he or she considers it necessary. The Committee may hold meetings by telephone or using any other method of electronic communication and may take decisions without a meeting by unanimous written consent, when deemed necessary or desirable by the Committee chair.

6.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair.

6.3 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.

## **7. SECRETARY**

7.1 The company secretary or such person as the company secretary nominates shall act as the secretary of the Committee.

7.2 The secretary must ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

7.3 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

7.4 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7.5 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless the chair of the Committee thinks it is inappropriate to do so or a conflict of interest exists.

## **8. SELF EVALUATION**

The Committee shall, at least once a year, review its own performance, composition and terms of reference and recommend any changes it considers necessary to the Board for approval.

## **9. REPORTING RESPONSIBILITIES**

9.1 The Committee chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee shall make such recommendations to the Board it deems appropriate on any area within its remit where action or improvement is desirable.

9.3 The Committee chair shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

## **10. OTHER MATTERS**

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- (b) 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;
- (c) give due consideration to laws and regulations, including the general duties of directors set out in the Companies Act 2006, the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;
- (d) 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;
- (e) oversee any investigation of activities which are within its terms of reference; and
- (f) work and liaise as necessary with all other Board committees.

10.2 The Committee chair should seek engagement with shareholders on significant matters related to his or her areas of responsibility

## **11. AUTHORITY**

The Committee is authorised by the Board to:

- (a) undertake any activity within its terms of reference;
- (b) seek any information that it requires from any Group employee in order to perform its duties;
- (c) 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;
- (d) call any Group employee to be questioned at a meeting of the Committee, as and when required; and
- (e) delegate any of its powers to one or more of its members or the secretary.