



**Costain Group PLC**  
**Nomination Committee - Terms of Reference**

**1. Definitions**

In these Terms of Reference:

references to “**the Committee**” shall mean the Nomination Committee;

references to “**the Board**” shall mean the board of directors of Costain Group PLC;

references to “**the Chairman of the Committee**” shall mean the Chairman of the Nomination Committee; and

references to “**the Chairman of the Company**” shall mean the Chairman of Costain Group PLC.

**2. Membership**

2.1 The Committee shall be appointed by the Board and shall comprise the Chairman of the Committee and all the non-executive directors of the Board.

2.2 A majority of the members of the Committee shall be independent non-executive directors

2.3 The Chairman of the Company shall be the Chairman of the Committee. In the absence of the Chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting

2.4 The Chairman of the Company shall not chair any meeting at which the appointment of a successor as Chairman of the Company is to be considered. In such circumstances, an independent non-executive director shall chair the meeting.

2.5 If a regular member is unable to act due to absence, illness or any other cause, the Chairman of the Committee may appoint another director of the Company to serve as an alternate member, having due regard to maintaining the required balance of executive and independent non-executive members

2.6 Only Committee members have the right to attend Committee meetings. However, the Committee may ask other individuals, such as the Chief Executive and external advisers, to attend for all or part of any Committee meeting as and when appropriate.

2.7 Appointments to the Committee shall be for a period of up to three years. This period may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

**3. Quorum**

The quorum necessary for the transaction of business shall be two members of the Committee of whom at least one must be an independent non-executive director. 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.

**4. Secretary**

The Company Secretary or his/her nominee shall act as the Secretary of the Committee ("the Secretary").

**5. Frequency of Meetings**

The Committee shall meet not less than once a year and at such other times as the Chairman of the Committee shall require.

**6. Notice of Meetings**

6.1 Meetings of the Committee shall be summoned by the Secretary at the request of any member of the Committee

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 on reasonable notice and no fewer than three working days prior to the date of the meeting.

**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 promptly. Once approved by the Committee, minutes of the Committee meeting should be circulated to the members of the Committee and to the Chairman of the Company, and made available on request to other members of the Board, unless it would be inappropriate to do so.

**8. Annual General Meeting**

The Chairman of the Committee shall attend the Annual General Meeting of the Company and be prepared to respond to any shareholder questions on the Committee's activities.

**9. Duties**

9.1 The Committee shall:

- (A) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity (including gender)) of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- (B) before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity (including gender) of the Board, and, in the light of this, prepare a description of the role and capabilities required for a particular appointment and lead the process for making any such appointment. 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; and
  - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- (C) be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (D) satisfy itself with regard to succession planning, that the processes and plans in place with regard to both Board and senior appointments 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 what skills and expertise are therefore needed on the Board in future;
- (E) assess and articulate the time needed to fulfil the role of Chairman of the Company, senior independent director and non-executive director, and undertake an annual performance evaluation to ensure that all members of the Board have devoted sufficient time to their duties;
- (F) for the appointment of the Chairman of the Company, prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in a crisis;
- (G) 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;
- (H) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (I) ensure on appointment that a candidate has sufficient time to undertake the role and review his/her commitments; and

- (J) ensure that the Secretary, on behalf of the Board, has formally written to any appointees, detailing the role and time commitments and proposing an induction plan produced in conjunction with the Chairman of the Company.

9.2 It shall also make recommendations to the Board:

- (A) concerning formulating plans for succession for both executive and non-executive directors and, in particular, for the key roles of Chairman of the Company and Chief Executive,
- (B) with regard to the Chairman of the Company, having assessed every three years whether the present incumbent should continue in post, taking into account the needs of continuity versus freshness of approach;
- (C) concerning suitable candidates for the role of senior independent director;
- (D) as regards the re-appointment of any non-executive director at the conclusion of his or her specified term of office, in particular, when they have concluded their second term for any term beyond six years (taking into account the need for progressive refreshing of the Board);
- (E) concerning the re-election by shareholders of any director;
- (F) concerning any matters relating to the continuation in office as a director of any director at any time;
- (G) concerning the continuation (or not) in service of any director who has reached the age of 70 if required by the Company's Articles of Association;
- (H) concerning the appointment of any director to executive or other office other than to the position of Chairman and Chief Executive Officer, the recommendation for which would be considered at a meeting of all the non-executive directors;
- (I) detailing items that should be published in the Company's Annual Report relating to the activities of the Committee; and
- (J) with regard to the membership and chairmanship of the Audit Committee, the Remuneration Committee and any other Board committees, as appropriate, in consultation with the chairmen of those committees.

## **10. Reporting responsibilities**

- 10.1 The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

- 10.3 The Committee shall make a statement in the Company's Annual Report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used

**11. Authority**

- 11.1 The Committee is authorised to seek any information it reasonably requires from any employee of the Company in order to perform its duties

- 11.2 The Committee is authorised to obtain, at the Company's expense (within any budgetary restraints imposed by the Board), outside legal or other professional advice on any matters within its terms of reference.

**12. Other**

The Committee shall:

- 12.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;
- 12.2 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;
- 12.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate; and
- 12.4 at least once a year, review its own performance, 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.

**CHAIRMAN**