

# Nomination Committee

## Focus areas for 2023/2024

/ Succession planning

/ Appointment of Saira Johnston  
as Chief Financial Officer

The Nomination Committee is chaired by Lena Wilson. The other members of the Committee are Mark Batten, Maria Bentley and Richard Jones. There have been no changes to the composition of the Committee during the year.

Lena Wilson CBE  
Chair of the  
Nomination Committee



The Committee's main responsibilities include reviewing the composition of the Board to ensure it has the right balance of skills, knowledge, experience and diversity to carry out its duties and provide effective leadership. The Committee also leads the selection process and the nomination of candidates for appointment to the Board, ensuring the process is formal, rigorous and transparent and there are appropriate succession plans in place for both the Board and senior management. It is also the Committee's role to review the results of the annual Board evaluation taking particular regard to feedback relating to composition and succession.

The Committee makes recommendations to the Board regarding the composition of the Audit and Risk, Remuneration, Nomination and Property Valuation Committees, taking into account individuals' time commitments and experience.

### Terms of reference

The Committee's terms of reference include consideration of the following:

- / Review and make recommendations regarding the size and composition of the Board;
- / Consider and make recommendations regarding succession planning for the Board and senior management;
- / Identify and nominate candidates to fill Board vacancies as they arise;
- / Review the results of the Board evaluation relating to composition and succession;
- / Review the time and independence requirements for Directors; and
- / Recommend the membership of Board Committees.

 Visit our [website picton.co.uk](https://www.picton.co.uk)

### Activity

The Committee met five times during the year ended 31 March 2024, which included the three scheduled meetings and two ad hoc meetings.

A key focus of activity for the Committee has been on succession planning, including commencing and completing the search for a new Chief Financial Officer to succeed Andrew Dewhirst in the first half of the year; and commencing the search for a new Non-Executive Director and Remuneration Committee Chair to succeed Maria Bentley. The selection process for each Board role fully takes into consideration the FCA Listing Rules on diversity targets. For further details see page 100.

The Committee has also kept under review both existing and new external appointments of the current Directors to ensure that the time commitments arising from these external roles would not affect their continued ability to discharge their duties effectively; and to ensure Directors are not over-boarded and continue to meet the required standards concerning independence. As part of this review, consideration was also given to any charitable or other not-for-profit positions held by the Non-Executive Directors, given that this could also impact their time availability.

During the year, the following external appointments were approved:

- / Mark Batten's appointment as Non-Executive Director, Chair of the Audit Committee and Senior Independent Director of Weatherbys Bank Limited, as Chair of Assured Guaranty UK Limited where he was already a Non-Executive Director, and as a Non-Executive Director of the parent company, Assured Guaranty Ltd
- / Maria Bentley's appointment as Senior Independent Director of Peel Hunt Limited and as Non-Executive Chair of Daiwa Capital Markets Europe Limited, where, for both companies she was already a Non-Executive Director

Routine matters considered by the Committee included reviewing the performance and constitution of the Committee and reviewing its Terms of Reference. Following a detailed review, the Terms of Reference were updated to bring them in line with the UK Corporate Governance Code and best practice and were subsequently approved by the Board. The Committee also oversaw the actions taken in response to the recommendations from the external Board evaluation, carried out in 2023, and considered the feedback from the internal Board evaluation carried out at the beginning of the year, and agreed the actions to be taken in response. See pages 101 to 102 for further detail.

**■** The internal review concluded that the Board, its Committees and the individual Directors continue to operate very effectively.

**Lena Wilson CBE**  
Chair of the Nomination Committee

### **Recruitment and succession planning**

The Committee's main focus during the year was on the selection and appointment of a new Chief Financial Officer to succeed Andrew Dewhirst, following his planned retirement in 2024.

For this role, independent executive search consultants, Teneo People Advisory, were appointed to assist with identifying a shortlist of candidates from which the Committee selected Saira as the preferred candidate. Following the Committee's recommendation the Board approved Saira's appointment in October 2023.

Following Maria Bentley informing the Board of her intention to step down from the Board, and as Chair of the Remuneration Committee at the end of the Annual General Meeting, the Company commenced a search for a suitable successor. After a tender process conducted by the Chair, Chief Executive and Company Secretary, Teneo were again selected to undertake the search for a successor. The recruitment process will follow a similar format to that followed previously and progress will be monitored by the Committee.

Board succession will therefore continue to be a key focus for the Committee in the year ahead.

### **Induction**

An induction programme is in place for new Board members and is overseen by the Chair and the Company Secretary. As part of the induction programme, the Chief Financial Officer spent time with fellow Board members at strategy, Board and Committee meetings, prior to formally being appointed to the Board on 1 April 2024. In addition, the Chief Financial Officer has had meetings with a range of key stakeholders, including our brokers, bankers and external and internal auditors whilst working closely with the retiring Finance Director for a smooth transition.

### **Diversity and inclusion**

The Company believes that diversity amongst our employees is essential for our sustained business success. We value the contributions made by all of our team and are committed to treating all employees equally.

Despite being a small team, we ensure that equity, diversity and inclusion are key considerations for our recruitment partners as part of their candidate recommendations. All candidates are then considered on merit but having regard to the right blend of skills, experience and knowledge.

---

**50%**

Board gender balance  
as at 1 April 2024

## Board evaluation

In accordance with the requirements of the Code, the Board undertakes a review of the effectiveness of its performance and that of its Committees every year. An external review is normally carried out every three years, with internal reviews in the intervening years.

In 2023, an external review of the Board's effectiveness was carried out by Boardroom Review Limited. The following table sets out key actions that were identified following the review together with the progress made since the review.

Action	Progress
1. Ensure opportunities for growth and increasing scale are fully considered	The Chair and the Chief Executive have regularly provided status updates. In addition, ad hoc meetings were arranged as appropriate throughout the year to discuss strategic initiatives as they were progressed.
2. Establish clear parameters on risk appetite	The Risk Management Policy (which includes the risk parameters) is reviewed annually by the Audit and Risk Committee. The risk radar and risk matrix, which form part of the risk management framework, are reviewed at each meeting of the Audit and Risk Committee.
3. Maintain occupier focus, especially around office working and technology	The roll-out of our occupier app at office properties has continued as a primary focus in the year. This has significantly enhanced our occupier engagement as evidenced by the recent survey.
4. Encourage more external perspectives, particularly ESG and technology	Several external presentations were arranged for the Board strategy day. These included an overview of economic outlook and trends given by Capital Economics and an insight into ESG initiatives and occupier engagement from the Better Buildings Partnership.
5. Consider future Board composition	Succession planning is included as a standing agenda item for the Nomination Committee for consideration annually or more frequently if required.
6. Improve diversity at Board level (and within the team)	The consideration of diversity and inclusion factors form part of our succession planning processes.
7. Consider expertise and resource within the team	Widening the depth and experience of the team is an ongoing consideration, and contributed to the appointment of our new in-house Company Secretary, Kathy Thompson in May 2023, and to the expansion of the office manager role to include the provision of executive assistant support to our Chief Executive, with the appointment of Lucinda Christopherson in December.
8. Develop talent within the team	This is an ongoing consideration for management as part of the annual review process for all employees.
9. Review existing company secretarial arrangements	The plans to transition from Northern Trust to in-house provision of our company secretarial arrangements were completed successfully on 30 September 2023.
10. Optimising internal audit	BDO have been appointed as outsourced provider of Internal Audit services and have completed their second year of audit reviews covering asset, lease and property management. Recommendations from these reviews and from the first year round of audit reviews on cyber security and key financial controls have been progressed during the year.
11. Review cyber security and data	BDO carried out a review of cyber security with several recommendations being actioned as a result, which included the Company achieving Cyber Essentials accreditation during the year.

This year, our Board evaluation was carried out internally, in line with the three-year review cycle. This consisted of a questionnaire prepared by the Company Secretary following discussion with the Chair. The questionnaire covered the following areas:

- / Board roles and responsibilities
- / Board composition, skills, knowledge and development
- / Board meeting conduct and operations

The questionnaire was completed by each of the Directors and the overall conclusions were that the Board and the Committees continued to operate very effectively.

The key themes and actions arising from the review were:

1. Continue to consider opportunities for growth and increasing scale on Board agenda
2. Review and update the risk management framework
3. Review Board meeting schedule and allocation of topics for each meeting
4. Include a lessons learned Board agenda item on a regular basis, to cover both strategic and operational matters
5. Increase focus of Board reporting on what has changed since the previous Board meeting
6. Review how the Board considers stakeholders as part of its routine business and in the decision-making process
7. Ensure succession planning and diversity are regularly included for discussion at Nomination Committee meetings
8. Review Director induction and ongoing Director training ensuring this covers key areas such as sustainability

### Tenure and re-election

The tenure of Non-Executive Directors, including the Chair, is limited to nine years in accordance with the Corporate Governance Code.

The provisions of the Corporate Governance Code recommend that all Directors be subject to annual re-election at the Annual General Meeting. The Board will follow this recommendation and all Directors with the exception of Maria Bentley, who will step down from the Board in July, will be proposed for re-election, or election in the case of Saira Johnston, at the Annual General Meeting in July 2024.

#### Lena Wilson CBE

Chair of the Nomination Committee  
22 May 2024