

Nomination Committee

The members of the Nomination Committee are Lena Wilson, Richard Jones, Mark Batten and Maria Bentley.

The role of the Committee is to consider the size, structure and composition of the Board to ensure that it has the right balance of skills, knowledge, experience and diversity to carry out its duties and provide effective leadership. In making any new appointment the Board will consider a number of factors, but principally the skills and experience that will be relevant to the specific role and that will complement the existing Board members.

It is also the Committee's role to consider succession planning for the Board and for the Executive team, and to lead on the appointment process, ensuring that this is formal, rigorous and transparent.

The Committee makes recommendations to the Board regarding the composition of the Remuneration, Audit and Risk, 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 issues:

- 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;
- Review the time requirements for Directors; and
- Recommend the membership of Board Committees.



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Activity

The Committee met twice during the year ended 31 March 2022 and considered the following matters:

- The reappointment of members to the Property Valuation, Audit and Risk and Nomination Committees;
- The recommendation of appointments to the Board;
- The process for carrying out this year's Board evaluation; and
- The results of the Board evaluation and the actions arising.

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. This year the Board agreed that, notwithstanding that the previous external evaluation had been undertaken in 2019, an internal review would be performed as the Board's composition, including the Chair, had recently been refreshed. An internal review also gave the Chair the opportunity to deepen her relationships with the other Directors in her first year in office. It is intended that an external review will be carried out in 2023.

The aim of the review was to assess the effectiveness of the Board and to identify actions which would improve this. The review took the form of interviews between the Chair and each Director, following an agreed framework covering 12 focus areas. The results of the review were discussed at the Board meeting held in January 2022. The focus areas covered were:

- Engagement with shareholders
- Corporate strategy
- Governance and regulatory compliance
- Board focus and priorities
- Risk management
- Board composition
- Board culture
- Engagement with the management team

- Decision making
- Director performance
- Quality of Board materials
- Committee effectiveness

The process also covered the effectiveness of individual Directors, and the Senior Independent Director held one-to-one discussions with the other Directors in order to provide feedback to the Chair.

The discussions held were candid, open and constructive, with no significant divergence in views. The Board culture is positive, open and respectful, but appropriately challenging. No major weaknesses were identified.

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

The actions that were identified following the review were:

- Establish an ongoing programme of shareholder engagement with clarity on roles
- Incorporate relevant external perspectives to Board meetings and strategy sessions
- Review strategy statements to ensure they reflect ambition
- Highlight relevant governance updates in Board packs
- Establish external annual review of governance and director training
- Prepare annual governance calendar
- Ensure proactive approach to governance topics
- Focus on key items in Board materials and discussions
- Reduce business as usual topics
- Implement thematic calendar for meetings
- Develop focused risk reporting for Board
- Undertake in-depth reviews of specific risk areas
- Ensure annual review of Board composition
- Establish programme of engagement with team

The Committee will review progress against the actions arising and will report on these in its next Report.

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 at this year's Annual General Meeting.

Diversity policy

The Company is committed to treating all employees equally and considers all aspects of diversity, including gender, when considering recruitment at any level of the business. All candidates are considered on merit but having regard to the right blend of skills, experience and knowledge at Board and Executive level, and amongst our employees generally.

Lena Wilson CBE

Chair of the Nomination Committee
25 May 2022