



# OSB GROUP PLC (the “Company”) Group Nomination and Governance Committee (“the Committee”) Terms of Reference

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Approved by the Board of Directors of OSB Group plc (the “Board”) on 29 April 2025, to take effect from 1 May 2025.

## 1. PURPOSE

- 1.1 The purpose of the Committee is to determine and approve changes to the Board structure and composition (including appointments and removals) and provide oversight and guidance to the Board on all matters of Corporate Governance relating to the Group not covered by other Committees. This includes, but is not limited to:
- 1.1.1 Ensuring that the Board sets the tone from the top in relation to the values, ethics and culture of the business leading to a sustainable business.
  - 1.1.2 Ensuring that the Board operates effectively, including ensuring that the Board its Committees and subsidiaries have an appropriate balance of skills, experience, availability, independence, and knowledge, applying diversity, equity and inclusion principles (DE&I) of the Group to enable them to discharge their respective responsibilities effectively.
  - 1.1.3 Ensuring that the Group adheres to best practice in relation to Corporate Governance in a manner that is proportionate to the size and complexity of the Group and is in line with the UK Corporate Governance Code (the Code), the requirements of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).
  - 1.1.4 Ensuring there is a robust and diverse pipeline for the Group, including senior management positions.

## 2. AUTHORITY

- 2.1 This Committee is a committee of the Board from which it derives its authority and to which it regularly reports<sup>1</sup>.
- 2.2 The Committee may sub-delegate all or any of its responsibilities as it sees fit, including delegating authority to the Chair or any other member.
- 2.3 The Committee is concerned with the business of the OSB Group plc and its subsidiaries (“OSB Group”) within the scope of its Terms of Reference and has the authority to obtain such information as it may require from any Director, officer or employee of the OSB Group.

## 3. CONSTITUTION

### 3.1 Members

- 3.1.1 The Committee shall comprise at least three members. All members of the Committee shall be Non-Executive Directors (NEDs) and a majority shall be independent Non-Executive Directors<sup>2</sup>.
- 3.1.2 Members of the Committee will collectively have the appropriate knowledge, skills and expertise to help them discharge their role as a Committee member.
- 3.1.3 Appointments to the Committee shall be for a period of up to three years, which at the discretion of the Committee, may be extended for two further three-year periods, subject to members continuing to meet the criteria for membership.

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<sup>1</sup> The Committee has delegated authority from the Board to undertake the role and responsibilities prescribed in these terms of reference.

<sup>2</sup> Independent Non-Executive Director (“INED”) has the meaning set out in section 4 of the OSB Group plc Corporate Governance Framework

### **3.2 Chair**

- 3.2.1 The Board shall appoint the Chair of the Committee who should be either the Chair of the Board or an independent Non-Executive Director.
- 3.2.2 In the absence of the Committee Chair, or in situations where the Committee Chair is precluded from chairing a meeting due to a conflict of interest, the remaining members present shall elect one of themselves to chair the meeting.

### **3.3 Attendees**

- 3.3.1 Only the members of the Committee have the right to attend Committee meetings, but the other Directors are entitled to observe any meetings at their discretion.
- 3.3.2 The Committee Chair retains the discretion to invite any other individual to attend for all or part of any meeting as a presenter or observe (subject to any conflicts of interest).

## **4. RESPONSIBILITIES**

The responsibilities of the Committee are to:

### **4.1 Board Composition and Succession Planning**

- 4.1.1 Regularly assess the structure, size and composition (including the balance of skills, knowledge, experience, independence and DE&I principles, including but not limited to gender, ethnic and social backgrounds) of the Board and its committees and make recommendations to the Board with regard to any changes, taking into account the Skills and Diversity matrix, together with any legislative or regulatory requirements.
- 4.1.2 Ensure that plans are in place for orderly succession planning for Directors and other senior executives and oversee the development of a diverse pipeline for succession; taking into account the challenges and opportunities facing the Company and the skills, expertise and DE&I principles needed on the Board in the future, the length of service of Board members, the need for the membership to be regularly refreshed or to ensure compliance with protective legislation or regulation.
- 4.1.3 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.

### **4.2 Board Appointments**

- 4.2.1 Identify, nominate and recommend for the approval of the Board, candidates to fill Board vacancies as and when they arise, considering any regulatory requirements.
- 4.2.2 In fulfilling its role in 4.1.1 above, review and oversee the description of the role and capabilities required for a particular appointment to the Board. In identifying suitable candidates the Committee shall:
  - 4.2.2.1 use open advertising or the services of external advisers to facilitate the search;
  - 4.2.2.2 consider candidates from a wide range of backgrounds;
  - 4.2.2.3 consider candidates on merit and against objective criteria and with due regard for the benefits of DE&I on the Board, taking care that candidates have sufficient time to devote to the position;
  - 4.2.2.4 consider any other business interests and time commitments of candidates to determine whether there are any conflicts of interests, whether a candidate can be considered independent and also has sufficient time available to devote to the role; and
  - 4.2.2.5 receive assurance that the proposed appointee is likely to meet the applicable regulatory obligations and legislative requirements.
- 4.2.3 For the appointment of a Chair or a NED, the Committee should prepare a job specification, including the time commitment expected. A proposed Chair or Non-Executive Director's other significant commitments should be disclosed to the Board before appointment and any changes to those commitments should be reported to the Board as they arise.

- 4.2.4 Review whether Directors continue to meet the independence criteria at least annually.
- 4.2.5 Review annually the time commitment required from NEDs including the Chair and Senior Independent Director. Performance evaluations should be used to assess whether the NEDs are devoting sufficient time to the fulfilment of their duties.
- 4.2.6 Following Board approval of appointments, review and approve Board and NEDs formal letters of appointment, ensuring that they set out clearly what is expected of them in terms of responsibilities (including those under the Senior Managers' Regime) time commitment, service on Committees of the Board and other involvement outside Board meetings.
- 4.2.7 Oversee the re-appointment and re-election of a NED at the conclusion of their specified term of office, ensuring that it has been subject to review of their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to Directors being re-elected for a term beyond six years). In doing so, consideration should be given to the Code and associated guidance and/or the retirement by rotation provisions in the Company's articles of association.
- 4.2.8 Consider and advise the Board regarding any matters relating to the appointment or continuation in office of any Director at any time including leading the selection process for the appointment of Executive Directors of the Company and 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.
- 4.2.9 For appointments to Principal Entities (as defined in the Corporate Governance Framework), the Committee shall review and endorse any board appointment prior to formal approval by the subsidiary board.
- 4.3 **Board and Board Committee Effectiveness**
- 4.3.1 Review and approve the criteria for the objective and rigorous performance review of each NED, the Board and each Committee of the Board (including the Committee).
- 4.3.2 Oversee the annual evaluation of the performance and effectiveness of the Board, and its committees, including the performance of individual Directors, recommending actions to address any findings and oversee the implementation and progress of any resulting action plans. Ensure such review is externally facilitated at least once every three years.
- 4.3.3 Oversee the follow up actions arising out of the annual Board effectiveness review. Ensure that the annual performance evaluations of the Chair of the Board and Chief Executive Officer, by the Senior Independent Director and Chair of the Board respectively are reported to the Board.
- 4.4 **Board Diversity**
- 4.4.1 Annually Review and recommend to the Board DE&I Policy and Board Diversity Objectives (covering all aspects of diversity, including but not limited to gender, ethnicity, social background, cognitive and personal strengths).
- 4.5 **Induction and Training and Development**
- 4.5.1 Oversee an appropriate induction programme for all new Directors to ensure that they are fully informed about matters concerning the Group to enable them to discharge their duties and responsibilities as a Director.
- 4.4.2 Consider any ongoing training and development needs for both the Board as a whole and individual Directors.
- 4.6 **Conflicts of Interest**
- 4.6.1 Consider and, if appropriate, recommend to the Board the authorisation of situation conflicts of interest of Directors and potential Directors. When considering the authorisation of these situations, the Committee will have regard to the possible time required to fulfil this, and the Director's external commitments, and whether it could impede the Director from spending sufficient time to fulfil their obligations to the Group.

4.66.2 Keep under review, at least annually, potential conflicts of interest of Directors disclosed to the Group and develop appropriate processes for managing such conflicts if the Committee considers this to be necessary.

#### 4.7 **Corporate Governance**

4.7.1 Support and advise the Board in relation to any corporate governance matters.

4.7.2 Review changes to the Board's Corporate Governance Framework and recommend to the Board such changes or additional action as it deems necessary.

4.7.3 Review and recommend to the Board for approval, the Chair's report on Corporate Governance for inclusion in the Annual Report and Accounts.

4.7.4 Monitor developing trends, initiatives or proposals in relation to legal developments, Board governance issues and best corporate governance practice in order to determine the extent to which these initiatives impact the Group and provide periodic updates to the Board.

4.7.5 Review and approve any material information of the Group made public or made available to any public body by the Group relating to corporate governance (this excludes material information which falls within the remit of the Board or other Committees).

4.7.6 Make recommendations to the Board, and regularly review progress against, measurable objectives that the Board has set in respect of Board diversity and inclusion.

4.7.7 In relation to governance documents to be owned by the Board as determined by internal governance and/or regulatory requirements (including but not limited to policies, frameworks or governance models), the Committee is authorised to consider and approve any new or material changes to such documents. Materiality will be determined by the Committee Secretary in consultation where necessary with the Committee Chair. All other changes to Board owned governance documents may be approved by the Executive Committee member. Any governance documents approved under authority will be notified to the Board (and Board Committee if relevant) as appropriate.

### 5. **MEETING PROCEEDINGS**

#### 5.1 **Quorum**

5.1.1 The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which the quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5.1.2 Meetings of the Committee may be held by telephone or by any other means whereby the participants are able to communicate effectively with each other

#### 5.2 **Secretary**

5.2.1 The Committee Secretary shall be a member of the Group Governance Office as agreed with the Committee Chair.

#### 5.3 **Minutes**

5.3.1 The Committee Secretary shall minute the proceedings of Committee meetings, which shall be circulated promptly to all members of the Committee, once agreed by the Committee Chair (subject to any actual or potential conflicts of interest restricting such circulation).

#### 5.4 **Notice and frequency of meetings**

5.4.1 The Committee shall meet at least three times at appropriate times as determined by the Committee Chair and otherwise as required.

5.4.2 Meetings of the Committee shall be convened by the Committee Secretary at the request of the Committee Chair or any of the Committee's members.

- 5.4.3 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 and, as appropriate, any other person required to attend, not later than five business 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.

## **6 ADVICE**

- 6.1 The Committee is authorised to obtain any information it requires from any employee of OSB Group plc in order to perform its duties and, at the Company's expense, obtain external legal or other professional advice on any matter within its Terms of Reference, The Committee is also authorised to select and set out the terms of appointment for any external advisers to the Committee.

## **7 GENERAL MATTERS**

7.1 The Committee shall:

- 7.1.1 Have access to sufficient resources to carry out its duties, including access to external advisers and the Group Governance Office for assistance as required, and shall ensure the proper involvement of such functions as are necessary to ensure that the Committee is appropriately advised.
- 7.1.2 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.
- 7.1.3 Give due consideration to relevant legislation, regulation, best practice guidance, industry practice and development trends affecting issues within the Committee's remit.
- 7.1.4 Oversee any investigation of activities which are within its Terms of Reference.
- 7.1.5 Ensure a periodic evaluation of the Committee's own performance is carried out.
- 7.1.6 Promote the success of the OSB Group for the benefits of its shareholders, whilst having due regard to its wider stakeholder group (including employees, regulators, communities, customers and suppliers) as set out in the Companies Act 2006. During its deliberations, the Committee shall consider the long-term consequences of its decisions, and the need to act to deliver good customer outcomes, foster good relationships, demonstrate acts of fairness, maintain a reputation of high standards of business conduct and mindfulness of environmental impacts.
- 7.1.7 Work and liaise as necessary with all committees of the Board. Where there is a perceived overlap of responsibilities, the respective committee chairs shall have the discretion to determine the most appropriate committee to fulfil the obligation.

## **8 REPORTING RESPONSIBILITIES**

- 8.1 The Committee Chair (or their elected nominee) shall report to the Board on the Committee's proceedings after each meeting.
- 8.2 The Committee shall where appropriate make recommendations to the Board on any area within its remit.

## **9. CHANGES TO THE TERMS OF REFERENCE**

- 9.1 These Terms of Reference shall be reviewed periodically by the Committee and any proposed amendments **will be recommended to the Board for approval.**