

# **Alfa Financial Software Holdings PLC**

## **Nomination Committee**

### **Terms of Reference**

adopted by the Board on 15 May 2017  
(amended and adopted by the Board on 9 December 2020)

#### **1. Membership**

- 1.1 The committee shall comprise at least three members. Members of the committee are appointed by the board, on the recommendation of the Nomination Committee and in consultation with the Chair of the Committee.
- 1.2 A majority of the members of the committee must be independent non-executive directors. If the board decides that a member of the committee is no longer independent and as a result, a majority of the members of the committee are not independent non-executive directors, that member will cease to be a member of the committee.
- 1.3 Only members of the committee have the right to attend committee meetings, but the committee may invite others to attend all or part of any meeting, as and when appropriate.
- 1.4 The board shall appoint the committee chair who should be either the chairman of the board or an independent non-executive director. The chairman of the board shall not chair the committee when it is dealing with the matter of succession of the chairman of the Board. 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.

#### **2. Secretary**

- 2.1 The Company secretary, or their nominee, shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 2.2 The secretary must ascertain, at the beginning of each meeting, whether any conflicts of interest exist and, if so, minute them accordingly.

#### **3. Quorum**

- 3.1 The quorum necessary for the transaction of business shall be two members, both of whom must be independent non-executive directors. A duly convened

meeting of the committee at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

#### **4. Frequency of Meetings**

- 4.1 The committee shall meet at least twice a year and at such other times and places as the committee chair shall require.

#### **5. Notice of Meetings**

- 5.1 Meetings of the committee shall be called by the secretary of the committee at the request of the committee chair or any of its members.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of the items to be discussed, shall be forwarded to each member of the committee and any other person required to attend 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.

#### **6. Minutes of meetings**

- 6.1 The secretary shall minute the proceedings and decisions of all committee meetings, including recording the names of those present and in attendance.
- 6.2 Draft minutes of committee meetings shall be circulated to all members of the committee. Once approved, minutes should be circulated to all other members of the board, unless, exceptionally, it would be inappropriate to do so.

#### **7. Annual General Meeting**

- 7.1 The committee chair should attend the annual general meeting and respond to any shareholder questions on committee's activities. In addition, the committee chair should seek engagement with shareholders on significant matters related to the committee's area of responsibility.

#### **8. Duties**

The committee should carry out the duties below for the parent company, major subsidiary undertakings and the Group as a whole, as appropriate. The committee shall:

- 8.1 Regularly review the structure, size and composition of the board (including

the skills, knowledge, independence, experience and diversity) and make recommendations to the board with regard to any changes.

- 8.2 Ensure plans are in place for orderly succession to board and senior management positions, and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company, and the skills and expertise need on the board in the future.
- 8.3 Keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.
- 8.4 Keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- 8.5 Be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise.
- 8.6 Before any appointment is made by the board, evaluate the balance of skills, knowledge, experience, independence and diversity on the board, and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and the time commitment expected. In identifying suitable candidates the committee shall:
  - (a) use open advertising or the services of external advisers to facilitate the search;
  - (b) consider candidates from a wide range of backgrounds; and
  - (c) consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the board and taking care that appointees have enough time available to devote to the position.
- 8.7 Prior to the appointment of a director, other significant time commitments should be disclosed and any additional future commitments should not be undertaken without prior approval of the board. The proposed appointee should also be required to disclose any other business interests that may result in a conflict of interest. These must be authorised by the board prior to appointment and any future business interest that could result in a conflict of interest must not be undertaken without prior authorisation of the board.
- 8.8 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.
- 8.9 Review the results of the board performance evaluation process that relate to the composition of the board and succession planning.
- 8.10 Review annually the time required from non-executive directors. Performance

evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.

- 8.11 Work and liaise as necessary with all other board committees, ensuring interaction between committees and with the board is reviewed regularly.

The committee shall also make recommendations to the board concerning:

- 8.12 Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved. In particular plans for succession for both executive and non-executive directors on the Board and in particular for the key roles of Chairman and Chief Executive Officer, and for succession for the Executive.
- 8.13 Suitable candidates for the role of senior independent director.
- 8.14 Membership of the audit and remuneration committee; and any other board committees as appropriate, in consultation with the chairs of those committees.
- 8.15 The Committee must also have regard to the provisions of the Company's relationship agreement with its controlling shareholders, when nominating a member of the Board.
- 8.16 The re-appointment of non-executive directors at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in light of the knowledge, skills and experience required.
- 8.17 The re-election by shareholders of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the Company's Articles of Association, having due regard to their performance and ability, and why their contribution is important to the company's long-term sustainable success in the light of the knowledge, skills and experience required and the need for progressive refreshing of the board, taking into account the length of the service of individual directors, the chair and the board as a whole.
- 8.18 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 subject to the provisions of the law and their service contract.
- 8.19 The appointment of any director to executive or other office.

## **9. Reporting responsibilities**

- 9.1 The committee chair shall report to the board after each meeting on the nature and content of its discussion, recommendations and action to be taken.

- 9.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for board discussion when necessary.
- 9.3 The committee shall produce a report to be included in the Company's annual report describing the work of the nomination committee, including:
- (a) The process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline;
  - (b) How board evaluation has been conducted, the nature and extent of an external evaluator's contract with the board and individual directors, the outcomes and actions taken, and how it has influenced or will influence board composition;
  - (c) the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives; and
  - (d) the gender balance of those in the senior management team and their direct reports.
- 9.4 If an external search consultancy has been engaged, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors
- 9.5 Appointments to the committee are 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.
- 9.6 The secretary must ascertain, at the beginning of each meeting, whether any conflicts of interest exist and, if so, minute them accordingly.

## **10. Other matters**

- 10.1 The committee shall:
- (a) have access to sufficient resources to carry out its duties, including access to the Company secretariat for assistance as required on all committee matters;
  - (b) be provided with appropriate and timely training, 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, the provisions of the UK Corporate Governance Code, the requirements of the Financial Conduct Authority's Listing, Prospectus and Disclosure Guidance and

Transparency Rules and any other applicable rules, as appropriate.

- (d) Ensure that a periodic evaluation of the committee's own performance is carried out.
- (e) At least annually, review the committee's constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary for board approval.

## **11. Authority**

- 11.1 The committee is authorised by the board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.

Adopted by the Board on 9 December 2020