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## NOMINATION AND ESG COMMITTEE: TERMS OF REFERENCE

### Definitions

“Board”	the Board of Directors of Bakkavor Group plc
“Chairman”	Chairman of the Nomination and ESG Committee
“Code”	the 2018 UK Corporate Governance Code
“Committee”	the Nomination and ESG Committee
“Company Chairman”	Chairman of the Board
“Company”	Bakkavor Group plc
“ESG”	Environmental, Social and Governance
“Group”	Company and its subsidiary undertakings
“Management Board”	the Management Board of Bakkavor Group plc
“Senior Executives”	the direct reports of the Management Board
“Trusted Partner”	the Group’s ESG Strategy

### **1. Constitution and Purpose**

The Committee’s purpose is to:

- 1.1 Review and report on the leadership and succession needs of the Group and ensure that appropriate procedures are in place for nominating, training, evaluating and succession planning for the Board, Management Board and Senior Executives;
- 1.2 Consider the benefits of diverse senior leadership, including gender, social and ethnic backgrounds, cognitive and personal strengths; and
- 1.3 Monitor the execution of Trusted Partner, to oversee the communication of the Group’s ESG activities with its stakeholders and to provide input to the Board and other Board Committees on ESG matters as required. For the avoidance of doubt, Trusted Partner is developed by the Management Board with support from the Group ESG Executive Committee and is approved by the Board.

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## **2. Membership**

- 2.1 The Committee shall comprise at least three Directors. A majority of the members of the Committee shall be independent Non-executive Directors.
- 2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Chief People Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary or if required to do so by the terms of any relationship agreement entered into by the Company.
- 2.3 Appointments to the Committee are made by the Board on the recommendation of the Committee and shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the Director still meets the criteria for membership of the Committee and the majority of the Committee members remain independent.
- 2.4 The Board shall appoint the Chairman who should be either the Company Chairman or an independent Non-executive Director. In the absence of the Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Company Chairman shall not chair the Committee when it is dealing with the matter of succession to the Board chairmanship.

## **3. Secretary**

- 3.1 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.
- 3.2 The Secretary must ascertain, at the beginning of each meeting, whether any conflicts of interest exist and, if so, minute them accordingly.

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#### **4. Quorum**

The quorum necessary for the transaction of business shall be at least two independent Non-executive Directors, with the Chairman or in the Chairman's absence, the Senior Independent Director.

#### **5. Frequency of Meetings**

The Committee shall meet at least three times a year and otherwise as required. The Committee may hold meetings by telephone or using any other method of electronic communications and may take decisions without a meeting by unanimous written consent, when deemed necessary or desirable by the Chairman.

#### **6. Notice of Meetings**

6.1 Meetings of the Committee are called by the Secretary of the Committee at the request of the Chairman or any of the Committee members.

6.2 Unless otherwise agreed, written notice of each meeting confirming the venue, time and date (together with the agenda of items to be discussed and supporting papers), 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 (unless all members of the Committee agree to shorter notice).

#### **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 promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless, in the opinion of the Chairman, it would be inappropriate to do so.

#### **8. Engagement with Shareholders**

The Chairman should attend the annual general meeting to answer any shareholder questions on the Committee's activities. In addition, the Chairman should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

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## 9. Duties

The Committee shall:

- 9.1 Regularly review the structure, size and composition (including the skills, knowledge, experience, independence and diversity) of the Board, Management Board and Senior Executives and make recommendations to the Board with regard to any changes.
- 9.2 Ensure plans are in place for orderly succession to the Board, Management Board and Senior Executive positions, and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Group, and the skills and expertise needed on the Board in the future.
- 9.3 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.
- 9.4 Keep up to date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates.
- 9.5 Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board and Management Board vacancies as and when they arise.
- 9.6 Be responsible for nominating for the approval of the Board, a candidate to fill the office of the Company Secretary as and when it arises and consider proposals for the dismissal, retirement, or any substantial change in the duties or responsibility or the term of appointment of the Company Secretary.
- 9.7 Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role, required capabilities and expected time commitment required for a particular appointment. In identifying suitable candidates, the Committee shall:
  - 9.7.1 use open advertising or the services of external advisers to facilitate the search;

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- 9.7.2 identify the recruitment consultant used and confirm if the consultant has any other relationship with the Group;
  - 9.7.3 consider candidates from a wide range of backgrounds; and
  - 9.7.4 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.
- 9.8 For the appointment of a Chairman, the Committee shall prepare a job specification, including the time commitment expected, recognising the need for availability in the event of crises.
- 9.9 Prior to the appointment of a Director, the proposed appointee should be required to disclose any other time commitments and any additional future commitments should not be undertaken without the 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.
- 9.10 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.
- 9.11 Review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning.
- 9.12 Review annually the time required from Non-executive Directors. Performance evaluation should be used to assess whether the Non-executive Directors are devoting sufficient time to fulfil their duties.
- 9.13 Work and liaise as necessary with all other Board committees ensuring that the interaction between committees and with the board is reviewed regularly.

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The Committee shall also make recommendations to the Board concerning:

- 9.14 Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved.
- 9.15 Suitable candidates as new Directors and succession for existing Directors.
- 9.16 Membership of the Audit and Risk Committee and Remuneration Committee of the Company, and any other Board committees as appropriate, in consultation with the chairman of those committees.
- 9.17 The re-appointment of any Non-executive Director 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 the light of the knowledge, skills and experience required.
- 9.18 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 service of individual Directors, the Chair and the Board as a whole.
- 9.19 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.
- 9.20 Monitor the tenure of each of any Director to executive or other office.
- 9.21 Ensure that all newly appointed Directors undergo an induction programme.

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**ESG Duties**

- 9.22 Monitor the Group's execution of Trusted Partner based on the identified priorities and provide updates to the Board in that regard.
- 9.23 Receive regular reports from the Group ESG Executive Committee on its activities and the progress on the Group's ESG practices.
- 9.24 Oversee the Group's disclosures relating to ESG on behalf of the Board and provide information and advice and support to the Group Board and the other Board Committees in relation to those disclosures, as required.
- 9.25 Oversee the Group's approach to external communications relating to ESG and ensure a good dialogue with Shareholders on ESG is maintained.
- 9.26 Advise the Group Board and the other Board Committees on the Group's performance against sustainability metrics and on the setting of sustainability targets.
- 9.27 Monitor developments and emerging best practice in approaches to ESG and provide insight against the Group's strategy.
- 9.28 Monitor the Group's compliance with best practice in approaches to ESG.
- 9.29 Engage with the employees delivering Trusted Partner and assess the Group's approach to nurturing talent and providing development opportunities.

**10. Reporting Responsibilities**

- 10.1 The Chairman shall report to the Board on the proceedings after each Committee meeting on all matters within the Committee's duties and responsibilities.
- 10.2 The Designated Non-executive Director on ESG matters shall report to the Board on all ESG matters within the Committee's duties and responsibilities.

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- 10.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit, where action or improvement is desirable, and adequate time should be made available for board discussion when necessary.
- 10.4 The Committee shall produce a report to shareholders to be included in the Company's annual report concerning its activities and the process used to make appointments, including:
- 10.3.1 the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline;
  - 10.3.2 how Board evaluation has been conducted, the nature and the extent of an external evaluator's contact with the Board and individual Directors, the outcomes and actions taken, and how it has influenced or will influence Board composition;
  - 10.3.3 the policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives;
  - 10.3.4 the gender balance of those on the Management Board and Senior Executives; and
  - 10.3.5 how the Committee has discharged its ESG responsibilities and overseen the execution of Trusted Partner.
- 10.5 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.
- 10.6 The report referred to in 10.3 above should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

## **11. Other Matters**

The Committee shall:



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- 11.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required on all Committee matters.
  - 11.2 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.
  - 11.3 Give due consideration to laws and regulations including, the general duties of Directors set out in the Companies Act 2006, provisions of the Code and the requirements of the FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook, the Market Abuse Regulation and any other applicable rules, as appropriate.
  - 11.4 Oversee any investigation of activities which are within its Terms of Reference.
  - 11.5 Work and liaise as necessary with all other Board committees.
  - 11.6 Ensure that a periodic evaluation of its own performance is carried out.
  - 11.7 At least annually, review its 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.
  - 11.8 Monitor and assess the Group's culture to ensure policies, practices and procedures are aligned with the Group's values and strategy and promote the long-term success of the Group whilst giving due consideration to the Group's stakeholders.

## **12. Authority**

The Committee is authorised to:

- 12.1 Undertake any activity within its Terms of Reference.
- 12.2 Request any information from any employee/Director/contractor of the Company/Group that is required in order to perform its duties.

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12.3 Obtain, at the Company's expense, external legal, or other professional advice, on any matter within its Terms of Reference, and the authority to invite persons giving such advice to attend Committee meetings.

12.4 Request the attendance of any employee/contractor to be questioned at a meeting of the Committee as and when required.

12.5 Delegate any of its powers to one or more of its members or the Secretary.

These Terms of Reference were adopted by the Nomination and ESG Committee on **16 November 2021**.