

NOMINATION COMMITTEE REPORT



The Committee's key responsibilities include Board composition, succession, diversity and performance evaluation.

Mike Liston OBE

Chair of the Nomination Committee

Dear Shareholders,

I am pleased to present the Nomination Committee report for the year ended 31 March 2023 and wish to thank the other members of the Committee, Alison Hutchinson and Geoffrey Gavey, management and our external advisers for their support during the year.

Key responsibilities

The Committee's key responsibilities include Board composition, succession, diversity and performance evaluation. During the year, new focus was applied to initiatives to further improve equity and inclusion beyond the Board, not least by our People and Sustainable Culture Team, who continuously develop people strategy for the Group.

Succession

Having made rapid progress in executing its growth strategy in its second full year as a listed company, succession has become a key priority for the Committee's long-term planning activities. Together with the Executive Directors, it continues to develop Group-wide talent, recruitment and retention mechanisms to future proof its skills needs. These include professional development, training and skillset mapping at Board and Executive Committee levels, with diversity as a culture-enhancing opportunity for the business as a whole.

The Committee's succession planning acknowledges that the present combination of the Executive Chairman and CEO roles and Executive Chairman's tenure are both areas of non-compliance with the 2018 UK Corporate Governance Code (the "Code"). The Corporate Governance report on pages 90 to 98 confirms the Committee's continuing and unanimous support for Bernard Fairman's continuation in that combined role, which remains unchanged since the Company's IPO. In due course, when Mr Fairman retires, the chairing role will become independent and will separate from the CEO role.

Board composition and diversity

The Board was formed in February 2021 at the time of the IPO and its composition remains relevant to and supportive of the Group's business activities and delivery of its strategy for growth.

The Committee keeps under review the foreseeable leadership needs of the Company as it grows. It remains of the view that the constitution of the Board is relevant to the size, complexity and skills needs of the Group. It is mindful that the composition does not currently meet the requirements of the FCA's new diversity rules announced in 2022, as can be seen from the table on page 100. For this reason, it pays particular attention in its oversight of the Group's operations and its direct interactions with key staff and the Employee Forum to ensure there are no cultural or structural barriers for women, ethnic and other under-represented groups. It is satisfied that the Company continues to promote equity, inclusion and diversity and it expects to see an increasingly diverse talent pipeline that will feed into its workforce with more people from minority groups as it expands.

NOMINATION COMMITTEE REPORT CONTINUED

Board composition and diversity continued

Sex/gender	Number of Board members	Percentage of the Board ¹	Number of senior positions	Number in Executive Management	Percentage of Executive Management ²
Men	4	80%	2	9	81.8%
Women	1	20%	1	2	18.2%
Total	5	100%	3	11	100%
Minority ethnic background ³					
White British or other White	5	100%	3	11	100%
Total	5	100%	3	11	100%

1. Senior positions include CEO, CFO, SID and Chair.

2. Executive Management comprises the Board, Executive Committee and the Company Secretary. See Glossary on pages 209 to 211 for full definition.

3. See Glossary on pages 209 to 211 for full definition.

Board effectiveness and evaluation

The Committee undertook a formal evaluation of Board effectiveness during the year.

This was the second evaluation to be conducted internally and one more is planned before a fully independent external evaluation is carried out. That is scheduled to take place during the Company's third full year, ending 31 March 2025. More details on the results of the evaluation are provided on page 102.

Re-Election of Directors

In accordance with the Company's Articles of Incorporation and the Code, all Board members will retire at the forthcoming AGM and offer themselves for re-election by Shareholders. The Committee does not recommend any change in Board composition and recommends the re-election of each member of the Board.

Shareholder engagement

We value engagement with our Shareholders and I would welcome feedback and questions on this report and the Committee's activities throughout the year. Should you wish to make contact with me, please do so via the Company Secretary.

NOMINATION COMMITTEE REPORT CONTINUED

Board Diversity Policy

Diversity is a key part of the Group's culture as it brings diversity of perspective, experience and values to help inform decisions and activities to the benefit of the Group and its stakeholders. This culture is embedded within our policies and approach to ensure that our staff are treated fairly and respectfully and have equal opportunities regardless of their age, gender, ethnicity or background. As noted on page 99, diversity is a key consideration of the Committee in reviewing the Board composition and effectiveness and in identifying any new Board members.

Our Board Diversity Policy may be summarised as follows:

- Our aim is to seek to ensure our Board composition is such that the Board as a whole has the right skillset, knowledge and experience we believe is required for us to achieve the Group's targets and strategies and bring value to our Shareholders and other stakeholders
- We will promote and support diversity and will ensure diversity is a key consideration when recruiting new Board members
- Where possible, we will seek to comply with the rules and requirements of our regulators and the industry bodies we engage with as regards diversity and to fully explain any areas of non-compliance
- We will review the skillsets, knowledge and experience of Board members regularly to ensure alignment with the Company's purpose, objectives and culture, demonstrating diversity where possible

Board independence

The independence of the non-executive members of our Board was considered at the IPO to be compliant with the UK Corporate Governance Code. Their independence is reviewed annually by the Committee as part of the Board Effectiveness Evaluation process and the Committee remains satisfied that compliance was maintained throughout the year.

Time commitment

The members of the Board are required to commit sufficient time to the Company as is necessary for them to carry out their duties as Directors. Time commitment is reviewed as part of the annual Board Effectiveness Evaluation process, which confirmed the Committee's belief that the time committed by each Board member remained sufficient and not excessive for the year.

Board succession and planning

The Committee is mandated to:

- Lead the process for appointments to the Executive Group, via a formal, transparent and rigorous process
- Ensure effective succession plans are in place to provide for an orderly succession to Executive Group positions
- Oversee the development of a diverse succession pipeline
- Carry out an evaluation no less than annually of the skills, experience and knowledge of the Board and its committees

As noted above, the Committee is working with the Executive Directors to progress and focus on succession planning and related activities such as training, skillset and experience mapping at Board and Executive Committee levels, as well as diversity. The aim of the planning is to identify and develop the leadership talent on which the Group depends in its business-critical positions and maintain resilience against the emergence of unforeseen gaps as it grows. Succession planning for the Executive Committee and other senior management roles is an additional priority for 2023.

During the year, no new Board members were appointed and none retired.

Board appointments/induction

All new Board members are required to undertake an induction programme, tailored to the needs of the individual and also providing familiarisation with the Company's various governance arrangements. The programme includes meetings with other Board members and key advisers. Meetings will also be arranged with members of the Executive Committee and team heads to provide an overview of our operations and enable individual fact finding. The Company Secretary also provides relevant policy and procedural information.

During the year, there were no new Board appointments and no resignations.

NOMINATION COMMITTEE REPORT CONTINUED

Board Effectiveness Evaluation

An internal Board Effectiveness Evaluation was undertaken in the first calendar quarter of 2023. The process was led by the Committee Chair, supported by the Company Secretary, and involved completion of a questionnaire designed to assess the effectiveness of the Board, its committees and the Board Chairman. The main areas covered by the Evaluation were Strategy, Corporate Governance and Risk and focused mainly on ensuring the Board has the right level of access to information, reporting, staff, etc. to enable it to be effective.

The responses to the questionnaires were provided on an anonymous basis and collated and presented to the Committee for review, which was formally undertaken at a Committee meeting in March 2023.

The Committee’s findings were minuted and actions identified and allocated to appropriate staff for completion. The findings recorded an improvement in all areas, which was in line with recommendations made during last year’s Evaluation. While there were no significantly negative findings, some areas summarised below remained priorities for attention:

Type	Aim	Progress
Reporting and transparency	To ensure the Board receives the right level of reporting, access to staff, etc.	As a recently listed and fast-growing Company, there remains scope to improve consistency in the scope and strategic content of management reporting to the Board. Good progress was made during the year, particularly in risk and cyber security.
Stakeholder engagement (excl workforce)	To ensure the Board understands who our key stakeholders are, their impact to the business and their ESG priorities	The Board understands that relationships with stakeholders are key to the success of the Group and play an important role with ensuring we meet the ESG standards we aspire to. The Board receives various reports from and has access to staff who hold relationships with the stakeholders. The Board has the authority to challenge staff and, if necessary, engage with stakeholders. No interventions were required during the year.
Workforce engagement	To ensure our workforce is valued, managed and considered in relation to our investment in staff	The Board takes workforce engagement very seriously. The Senior Independent Director is the chair of our Employee Forum and engages regularly with the Head of People and Sustainable Culture (“PSC”) as well as the Head of Sustainability on matters relating to the workforce. The PSC team present annual benchmarking and salary reviews to the Remuneration Committee for review. PSC also share the findings of the annual staff survey with the Board, who have input to the actions to be taken in areas of weakness.
Succession planning	To ensure appropriate succession planning for the Board	This year’s Evaluation noted good progress by the Committee in developing the succession plan for senior executives at and below Board level. The August 2023 Board meeting will receive the Committee’s enhanced plan.

The Evaluation process includes the performance of the Executive Chairman, with whom the Senior Independent Director discussed the results. The Committee Chair also met with the CFO. The Board will consider the overall findings of the Evaluation at its August 2023 meeting.

Mike Liston

Chair of the Nomination Committee

3 July 2023