

Nomination Committee report



“Formal mapping of individual Board members’ skillsets during the year confirmed good alignment between the collective and current needs of the business”

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 2024 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.

Succession

The further development of talent was a key focus for the year to ensure future readiness for planned and unplanned succession in Executive Director and senior management roles. Succession resilience at Board level was confirmed but further work continues in order to strengthen the pipeline of executive talent beneath it in recognition of the Company’s growth expectations. Formal mapping of individual Board members’ skillsets during the year confirmed good alignment between the collective and current needs of the business. The complete matrix is shown on page 70 and was discussed at length as part of this year’s Board effectiveness evaluation, as described below. No changes to the Board’s composition were proposed on completion of these two streams of Committee work, but it will be kept under review as the Company’s activities expand.

The Committee keeps under review the foreseeable leadership needs of the Company as it grows and acknowledges that the present combination of the Executive Chairman and CEO roles is an area of non-compliance with the 2018 UK Corporate Governance Code (the “Code”). The reasons for its ongoing and unanimous support for Bernard Fairman’s continuation in that combined role are set out on page 68.

The Committee has agreed that in due course, when Mr Fairman retires, these roles will separate and the Board will appoint an independent Chairman and executive CEO.

During the year, the Committee also considered Mr Gavey’s tenure, which, if calculated to include his non-executive engagement with the Company pre-IPO, will exceed the nine-year maximum tenure recommended under the Code in the next financial year. The Committee therefore gave particular consideration to Mr Gavey’s independence and is satisfied that he remains independent in his role.

Board composition

The Board was formed in February 2021 at the time of the IPO and whilst the Committee’s reviews of Board effectiveness and skillsets have found no need for change, it remains mindful that the Board’s composition does not currently meet the requirements of the FCA’s diversity rules announced in 2022, as can be seen from the information on page 71. The Committee seeks to actively promote diversity and inclusion in the overall workforce through its work with the People & Sustainable Culture (“PSC”) team to ensure that there are no cultural or structural barriers for women and/or ethnic and other under-represented groups.

This is achieved in part by Alison Hutchinson’s chairing of the Group’s Employee Forum and her engagement with the Sustainability Team as the Board’s Sustainability representative. The PSC team also regularly reports to the Board on employee matters. Pages 8 and 9 provide details of the work being undertaken and the initiatives established to promote diversity and inclusion in the workplace.

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Board Diversity & Inclusion 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 the Group's policies and approach to ensure that its staff are treated fairly and respectfully and have equal opportunities regardless of age, gender, ethnicity or background.

The Committee's approach to Board diversity includes that:

- We aim to ensure Board composition is such that as a whole it has the right skillset, knowledge and experience required to achieve the Group's objectives and strategies and enhance value for its 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 effectiveness and evaluation

The Committee undertook its third annual evaluation of Board effectiveness during the year, the findings of which are provided on pages 77 and 78 along with details of the evaluation cycle and evaluation process.

As indicated previously, a fully independent external evaluation is scheduled to take place during the year ending 31 March 2025.

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. All the Directors offer themselves for re-election by Shareholders and the Committee recommends re-election in each case.

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.

Board independence

The independence of the non-executive members of our Board was considered as part of the Board evaluation process and the Committee remains satisfied that compliance was maintained throughout the year.

Time commitment

Time commitment is reviewed as part of the annual Board 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 appointments/induction

In the event a new Board member is appointed, each will be 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 will include 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.

Mike Liston OBE

Chair of the Nomination Committee

26 June 2024