

THE CROWN ESTATE (“TCE”)

TERMS OF REFERENCE - NOMINATION COMMITTEE

1. ROLE

- 1.1 The role and key objective of the nomination committee (**Committee**) is to ensure the board and its committees have an appropriate combination of skills, experience and knowledge to effectively challenge TCE’s strategy and monitor execution thereof.
- 1.2 The Committee also; (a) ensures there is a formal, rigorous and transparent procedure for appointments to the board; (b) assists the board in regularly reviewing its composition, diversity and effectiveness in achieving its objectives; and (c) ensures plans are in place for orderly succession to positions as Board Members (Commissioners), Board Counsellors, members of the Group Leadership Team and the company secretary. References to “**senior management**” in these terms of reference are to members of the Group Leadership Team and the company secretary.

2. DUTIES

- 2.1 The Committee shall carry out the following duties. The Committee shall:

Composition of the board and senior management

- (a) regularly review the structure, size and composition (including the skills, experience, independence, knowledge and diversity) of the board and its committees, taking account of TCE’s strategic priorities and issues and trends affecting the long-term success of TCE;
- (b) keep under review the leadership needs of the organisation, relating both to the board and senior management, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace and deliver its strategic priorities;

Succession planning

- (c) ensure plans are in place for orderly succession to both the board and senior management positions and oversee the development of a diverse pipeline for succession. Appointments and succession plans should be based on merit and objective criteria and take into account the challenges and opportunities facing TCE, the skills, experience, independence, knowledge and diversity needed on the board in the future to deliver TCE’s strategy in the long-term, alignment with its culture and the length of service of the board as a whole;

Appointments to the board

- (d) be responsible for initiating the process (as determined by the Office of the Commissioner for Public Appointments (“**OCPA**”)) to identify candidates to fill board vacancies as and when they arise;
- (e) for any particular appointment, consider the role and capabilities and time commitment required, as well as the balance of skills, experience, independence, knowledge and diversity on the board, the future challenges affecting TCE;
- (f) for the appointment of a board chair, facilitate the preparation of a job specification, including the time commitment expected;
- (g) ensure proposed appointees, including the board chair, disclose other significant commitments to the board indicating the time involved and other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- (h) ensure that on appointment, a Board Member or Board Counsellor receives a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service, involvement outside board meetings and the induction process;

Board evaluation

- (i) assist the chair of the board with the implementation of an annual evaluation process to assess the overall and individual performance and effectiveness of the board and its committees, including consideration of balance of skills, experience, independence and knowledge of TCE, its diversity, how the board works together as a unit, and other factors relevant to the board's effectiveness;
- (j) review the results of the board performance evaluation process that relate to the composition of the board and succession planning, its diversity and how effectively the members of the board work together to achieve objectives; and
- (k) review annually the time required from Board Members (excluding the Chief Executive) and Board Counsellors, including the board chair and senior independent director. Performance evaluation should be used to assess whether Board Members (excluding the Chief Executive) and Board Counsellors are spending enough time to fulfil their duties.

2.2 The Committee shall make recommendations to the board concerning:

- (a) suitable candidates for the role of senior independent director;
- (b) membership and chair of the audit, remuneration, sustainability and nominations committees, and any other board committees, as appropriate, in consultation with the chair of those committees;
- (c) succession plans for Board Members and Board Counsellors and in particular for the key roles of board chair and Chief Executive; and

- (d) any matters relating to the continuation in office of a Board Member or Board Counsellor at any time including the suspension or termination of service of the Chief Executive as an employee of TCE, subject to the provisions of the law and their service contract.

3. REPORTING RESPONSIBILITIES

3.1 The Committee shall :

- (a) report to the board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- (b) prepare a formal report on its activities and how the Committee has discharged its responsibilities to be included in the annual report, which shall describe the work of the Committee by reference to these terms of reference and any applicable guidance or laws.

4. MEMBERSHIP

- 4.1 The Committee shall have a minimum of three members, one of whom shall be the chair of the board. It is recognised that the number of members may fall below three for temporary periods due to departures pending new appointments. The board shall appoint members of the Committee in consultation with the Committee chair.
- 4.2 Each Committee member shall be a Board Member and independent as determined by the board.
- 4.3 The board shall appoint the chair of the Committee. In the absence of the Committee chair and/or an appointed deputy, the remaining members present at a Committee meeting shall elect one of their number present to chair the meeting.
- 4.4 The company secretary, or their nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

5. QUORUM

- 5.1 The quorum necessary for the transaction of business at a Committee meeting shall be the Committee chair and the chair of the board, present in person or by audio or video conference.

6. VOTING ARRANGEMENTS

- 6.1 In the event of disagreement, each Committee member shall have one vote and the Committee chair shall have a casting vote, provided that a member shall not be permitted to vote if the Committee member has a personal interest (either direct or indirect). Notwithstanding the foregoing, in the case of disagreement, the Committee chair may escalate a matter to the board.
- 6.2 A resolution in writing and signed (or confirmed by email) by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

7. ATTENDANCE AT MEETINGS

- 7.1 The Committee shall meet at least two times a year and otherwise as the Committee chair shall determine.
- 7.2 Only Committee members have the right to attend and vote at Committee meetings. However, the Chief Executive, Executive Director People & Culture, Lead Business Partner, Group Head of Legal and Company Secretary, Deputy Company Secretary and external advisors may be invited to attend for all or part of any meeting, as and when appropriate and necessary and with the agreement of the Committee chair.
- 7.3 Outside of the formal meeting programme, the Committee chair shall maintain a dialogue with key individuals involved in the work of the Committee, including the board chair, the Chief Executive, the Executive Director People & Culture, Lead Business Partner and HM Treasury (if appropriate).
- 7.4 Members of the Committee shall avoid being placed in a position of conflict of interest and will declare any actual or potential conflict to the Committee chair and company secretary. Attendees will only be invited to attend Committee meetings if the Committee chair is satisfied that no conflict or perception of conflict may arise.

8. NOTICE OF MEETINGS

- 8.1 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, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee chair.

9. MINUTES OF MEETINGS

- 9.1 The secretary of the Committee, or their nominee, shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 9.2 Draft minutes of Committee meetings shall be agreed with the Committee chair and then be circulated promptly to all Committee members, unless in the Committee chair's opinion it would be inappropriate to do so. Once approved, minutes shall be made available to all other board members unless, exceptionally, it would be inappropriate to do so.

10. GENERAL MATTERS

- 10.1 The Committee shall:
- (a) have access to sufficient resources to carry out its duties, including access to the company secretary for assistance and advice, as required;
 - (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
 - (a) make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed;
 - (b) give due consideration to laws and regulations (including The Crown Estate Act 1961), the provisions of the Corporate Governance Code, relevant guidance issued by the OCPA and HM Treasury and TCE's framework agreement with HM Treasury; and
 - (c) periodically review its own performance and, at least annually review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

11. AUTHORITY

- 11.1 The Committee is authorised to:
- (a) have unrestricted access to TCE's documents and information and seek any information it requires from any employee of TCE to perform its duties;
 - (b) obtain, at the TCE's expense, appropriate independent legal or professional advice on any matter within its terms of reference as it considers necessary; and
 - (c) investigate any matters within its terms of reference.
- 11.2 The Committee has the delegated authority of the board in respect of the functions and powers set out in these terms of reference or as further specifically delegated by the board.

Approved by the board at the board meeting held on 22 March 2023.

Date of next review: March 2024