



**KELLER GROUP PLC (the “Company”)
NOMINATION AND GOVERNANCE COMMITTEE
TERMS OF REFERENCE**

Reference to “the Committee” shall mean the Nomination and Governance Committee.

Reference to “the Board” shall mean the Board of Directors.

References to “the Group” shall mean the Company and its subsidiaries.

A. Membership

1. The Committee shall comprise a Chairman and at least two other members, each of whom shall be appointed by the Board.
2. All members of the Committee shall be Non-executive Directors who should be independent of management and free from any business or other relationship, which could interfere with the exercise of their independent judgement.
3. Appointments to the Committee shall be for a period of up to three years, which may be extended annually up to an expected maximum of six years, provided that the Director remains independent.
4. The Board shall appoint the Committee Chairman, who should be either the Chairman of the Board or a Non-executive Director.
5. The Group Company Secretary and Legal Advisor 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 issues.

B. Meetings

1. The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require. Where possible, meetings shall be organised so that attendance is maximised (e.g. by time-tabling them to take place around the time of Board meetings).
2. A meeting of the Committee may be called by any member of the Committee or by the Secretary.

3. The quorum necessary for the transaction of business by the Committee shall be two.
4. Notice of each meeting of the Committee, confirming the venue, time and date, and enclosing an agenda of items to be discussed, together with supporting papers, shall, unless otherwise agreed by all concerned, be forwarded to each member of the Committee, any other person required to attend and all other Non-executive Directors, not fewer than five working days prior to the date of the meeting.
5. Only members of the Committee have the right to attend meetings of the Committee. However, other individuals such as the Chief Executive Officer, the Group Human Resources Director and external advisors may be invited to attend all or part of any meeting as and when appropriate.
6. In the absence of the Committee Chairman or any appointed Deputy, the remaining members present shall elect one of their number to chair the meeting.
7. The Secretary shall keep appropriate records of all meetings of the Committee, including the names of those present or in attendance, as well as minutes of the proceedings and all decisions made.
8. 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 and the Company Secretary unless, exceptionally, it would be inappropriate to do so.

C. Annual General Meeting (“AGM”)

The Chairman of the Committee shall attend the AGM prepared to respond to any shareholder questions on the Committee’s activities. In addition, the Committee Chairman should seek engagement with shareholders on significant matters related to the Committee’s area of responsibility and shall ensure that the Board as a whole has a clear understanding of the views of shareholders and wider stakeholders in this regard.

D. Duties

The Committee shall carry out the duties listed below for the Company and all of its subsidiaries and the Group as a whole, as appropriate. In carrying out these duties, the members of the Committee must comply with their duty under section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a

whole, whilst having regard to the interests of employees, stakeholders and other matters as required by section 172.

D.1 Nominations and succession

The Committee shall:

1. review regularly the Board structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
2. be responsible for identifying, selecting and nominating, for the approval of the Board as a whole, candidates for appointment to the Board as Directors of the company;
3. before making an appointment, 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 and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
 - 3.1. use open advertising or the services of external advisers to facilitate the search;
 - 3.2. consider candidates from a wide range of backgrounds having due regard for the benefits of diversity on the board, including gender; and
 - 3.3. consider candidates on merit and against objective criteria, having regard to the benefits of diversity on the Board and taking care that appointees have enough time available to devote to the position;
4. keep under review the leadership needs of the organisation as a whole, both executive and non-executive, and oversee the development of a diverse pipeline for succession, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
5. approve, review annually and continually monitor compliance and application of the Board Diversity Policy;
6. 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;
7. give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company and what skills and expertise are therefore needed on the Board in the future;

8. keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
9. 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 any appointment and any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the Board;
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;
11. work and liaise as necessary with other Board committees, ensuring the interaction between the committees and with the Board is reviewed regularly; and
12. review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning.

The Committee shall also make recommendations to the Board concerning:

1. any changes to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved;
2. plans for succession for both executive and non-executive directors and, in particular, for the key roles of Chairman, Chief Executive Officer and Chief Financial Officer;
3. suitable candidates for the role of Senior Independent Director;
4. membership of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the chairmen of those committees;
5. 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;
6. the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code (the "Code") or the retirement by rotation provisions of 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 skills, experience and knowledge required and the need for progressive refreshing of the Board,

taking into account the length of service of individual directors the Chairman and the Board as a whole;

7. any matter 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; and
8. the appointment of any director to executive or other office.

D.2 Governance

The Committee shall:

1. keep under review and approve changes to the Board's governance framework, including monitoring the Group's compliance with applicable legal, regulatory and listing requirements and recommending to the Board such changes or additional actions as it deems necessary;
2. consider in light of governance best practice and developing consensus proposals on: (a) the role of the Board and its Committees; (b) the Board delegation of authority and authority levels; (c) the role of Chairman, Chief Executive Officer, Senior Independent Director, Non-executive Directors and Company Secretary; and (d) matters reserved for Board approval; and make recommendations to the Board about any changes.
3. conduct an annual review of the conflicts of interest register and review any disclosure relating to conflicts of interest to be made public;
4. monitor, and require Directors and proposed appointees to the Board to disclose, (i) any conflict, or possible conflict, with the interests of the Group and (ii) significant commitments, with an indication of the time involved.
5. make recommendations to the Board on the independence of Non-executive Directors and the individual's ability to perform their duties independently without undue influence from other persons, the number of responsibilities and consequent call on the time of the individual concerned;
6. review and require Directors to obtain approval from the Board before undertaking additional external appointments.
7. review the terms of office of Non-executive Directors after three years, based on a review of the Director's performance and ability to continue to contribute to the board in the light of knowledge, skills and experience required;
8. ensure an annual performance evaluation of the effectiveness of the Board, and each Committee of the Board, and the contribution of each Director, with the results being reported to the Board; such evaluation to be externally facilitated at least once every three years. Periodically review progress against the action plan to address the results;

D.3 Reporting Responsibilities

1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

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 available for Board discussions when necessary.
3. The Committee shall make a statement in the annual report about its activities, including:
 - 3.1 the process used in relation to appointments, explaining if external advice or open advertising has not been used, its approach to succession planning and how both support the development of a diverse pipeline;
 - 3.2 how Board evaluation has been conducted, the nature and 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;
 - 3.3 the Board Diversity Policy, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives; and
 - 3.4 the gender balance of those in the senior management team and their direct reports.
4. The Committee shall also review and recommend to the Board for approval the following disclosures for inclusion in the Annual Report:
 - 4.1 Corporate Governance report
 - 4.2 Directors' and Executive Committee members' biographies
 - 4.3 Section 172 statement
 - 4.4 Directors' report
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.

E. Authority

1. The Committee is a committee of the Board and has no authority independent of the functions delegated to it and is to report its findings and recommendations directly to the Board. The functions of the Committee do not relieve the Board from any of its responsibilities.
2. There is to be no delegation of executive power to the Committee.
3. The Committee is authorised by the Board, when the fulfilment of its duties requires, to obtain any outside legal or other professional advice at the company's expense. Any authority to incur costs at the company's expense is

subject to the Company's prior approval to the expenditure and such approval shall not be unreasonably withheld.

4. The Committee is authorised to seek any information it requires from any employee of the Company and shall have the power to employ the services of such advisers as it deems necessary to fulfil its responsibilities.
5. The Committee shall:
 - 5.1. have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required;
 - 5.2. 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;
 - 5.3. give due consideration to all relevant laws and regulations, the provisions of the Code and associated guidance, the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate;
 - 5.4. ensure that a periodic evaluation of the Committee's own performance is carried out; and
 - 5.5. at least annually, review the Committee's constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.