

Kier Group plc (the “Company”)

Nomination Committee (the “Committee”)

Terms of Reference

Role

The role of the Committee is to provide a formal, rigorous and transparent procedure for the appointment of new directors to the board of directors of the Company (“the Board”), maintain an effective succession plan for the Board and senior management¹ and oversee the development of a diverse pipeline for succession.

Membership/Secretary

The Committee shall consist of a minimum of three (3) members appointed by the Board, in consultation with the Chair of the Committee, each of whom shall be an independent non-executive director of the Company.

The Chair of the Board shall be the Chair of the Committee, other than when the Committee is dealing with the matter of succession to the role of Chair of the Board, in which case the senior independent non-executive director (or such other Committee member, as the Committee, excluding the Chair, shall decide) shall be the Chair of the Committee.

In the absence of the Chair of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the relevant meeting.

The Company Secretary or his or her nominee shall act as the secretary of the Committee.

Meetings

The Committee shall meet at least two (2) times per annum and at such other times as it sees fit. Meetings may be held by conference call. The quorum for meetings of the Committee shall be two (2) members. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Group Human Resources Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

Notice of meetings

Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chair of the Committee.

Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and associated papers, will be sent to each member of the Committee and any other person required to attend in advance of the meeting (in sufficient time to enable consideration of the issues).

Minutes of meetings

The secretary shall minute the proceedings and resolutions of all Committee meetings.

Engagement with shareholders

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

Duties

The Committee shall:

¹ ‘Senior management’ means the Executive Committee or the first layer of management below Board level, including the Company Secretary.

- keep under review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its committees and make recommendations to the Board with regard to any changes;
- be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- keep under review the succession plan for the Board and senior management and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future;
- 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, capabilities and the time commitment required for a particular appointment. In identifying suitable candidates, the Committee shall consider:
 - using open advertising or the services of external advisers to facilitate the search;
 - candidates from a wide range of backgrounds;
 - candidates on merit and against objective criteria and, within this context, promote diversity on the Board;
- prior to the appointment of a director, require the proposed appointee to disclose other significant time commitments or business interests. Any such additional future commitments or interests are to be notified to the Chair of the Board;
- ensure that, on appointment to the Board, non-executive directors receive a formal letter of appointment and that all newly-appointed directors receive an appropriate induction programme;
- consider any training requirements either for the Board or individual directors;
- review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning;
- from time to time, review the time required from non-executive directors; and
- liaise as necessary with other Board committees, ensuring the interaction between the Board committees and the Board is reviewed from time to time (for example, as part of the Board evaluation).

The Committee shall also make recommendations to the Board concerning:

- membership of the other Board committees, in consultation with the Chairs of those committees;
- the re-appointment of any non-executive director at the conclusion of any specified term of office, having given due regard to their performance and ability to continue to contribute to the Board;
- the re-election by shareholders of directors, 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 Chair and the Board as a whole; and
- 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.

Reporting responsibilities

The Chair of the Committee shall report to the Board after each Committee meeting on the nature and content of its discussion, recommendations and action to be taken.

The Committee shall produce a report, to be included in the Company's annual report, describing its activities during the preceding financial year.

Other matters

- The Committee shall: have access to sufficient resources in order to carry out its duties;

- have access to training to assist members of the Committee to discharge their obligations;
- give due consideration to the UK Corporate Governance Code, the FRC's Guidance on Board Effectiveness and any other applicable laws, regulations and guidance; and
- arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board.

Authority

The Committee is authorised by the Board to obtain, at the Company's expense, legal or other professional advice on any matters within its terms of reference.

Last updated: August 2020