XPS PENSIONS GROUP PLC

TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE

1. CONSTITUTION

1.1 The nomination committee (the "**Committee**") was constituted as a committee of the board of directors (the "**Board**") of XPS Pensions Group plc (the "**Company**") at a full meeting of the Board held on 24 January 2017 in accordance with the articles of association of the Company.

1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.

1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members or the appointed secretary of the Committee, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

2. ROLE

The role of the Committee is to ensure that there is a formal, rigorous and transparent procedure for the appointment of new directors to the Board, to lead the process for Board appointments and make recommendations to the Board. The Committee is to assist the Board in ensuring its composition is regularly reviewed and refreshed so that it is effective and able to operate in the best interests of shareholders; and in doing so, the Committee shall work and liaise with other Board committees, as appropriate.

3. DUTIES AND TERMS OF REFERENCE

The Committee shall carry out the duties set out below for the Company and its subsidiaries (the "**Group**"), as appropriate.

3.1 Composition of the Board

The Committee shall:

(a) regularly review the structure, size and composition (including the skills, experience, independence, knowledge and diversity) of the Board and make recommendations to the Board with regard to any changes that are deemed necessary;

(b) keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace; and

(c) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.

3.2 Succession planning

The Committee shall:

(a) give full consideration to succession planning for directors, Executive Committee members and other senior management roles in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills, experience, independence, knowledge and diversity required for long-term success;

(b) satisfy itself that plans are in place for orderly succession for appointments to

the Board, Executive Committee and other key senior management roles; and

(c) oversee the development of a diverse pipeline for succession and keep under review the effectiveness of the relevant talent development initiatives.

3.3 **Appointments to the Board**

The Committee shall:

(a) be responsible for identifying and nominating for the Board's approval, candidates from a wide range of backgrounds to fill Board vacancies as and when they arise;

(b) consider proposals for the re-appointment or promotion of directors and also any proposal for their dismissal, retirement, non re-appointment or any substantial change in their duties or responsibilities or the term of their appointment;

(c) before the Board makes any appointment, evaluate the balance of skills, experience, independence, knowledge and diversity on the Board, and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:

(i) use such methods as it deems appropriate, including the use of open advertising or the services of external advisers to facilitate the search;

(ii) consider candidates from a wide range of backgrounds; and

(iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity, inclusion and equal opportunity, taking care that appointees have enough time available to devote to the position;

(d) for the appointment of a chairperson, prepare a job specification, including the time commitment expected, and require a proposed chairperson to disclose other significant commitments to the Board before appointment and disclose any changes to the chairperson's commitments to the Board as they arise;

(e) 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 and the induction process;

(f) ensure that all directors offer themselves for annual re-election by shareholders in accordance with the UK Corporate Governance Code (Provision 18) or the retirement by rotation provisions in the articles of association, having regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years); and

(g) keep under review the number of external directorships held by each director.

3.4 **Induction and training**

The Committee shall:

(a) ensure that all new directors undertake an appropriate induction programme to ensure that they are fully informed about strategic and commercial issues

affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director; and

(b) consider any training requirements for the Board as a whole.

3.5 **Conflicts of interest**

The Committee shall:

(a) before appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest;

(b) consider and, if appropriate, authorise situational conflicts of interest of directors and potential directors;

(c) keep under review potential conflicts of interests of directors disclosed to the Company and develop appropriate processes for managing such conflicts if the Committee considers this to be necessary; and

(d) instruct the secretary of the Committee to ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

3.6 **Board performance review**

The Committee shall:

(a) assist the chairperson of the Board with the implementation of an annual performance review 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 the Company, its diversity, including gender and ethnicity, how the Board works together as a unit, and other factors relevant to the Board's effectiveness;

(b) review the results of the Board performance review process that relate to the composition of the Board;

(c) ensure that performance review of the Board is externally facilitated at least every three years;

(d) review the results of the performance review of the Committee; and

(e) review annually the time required from non-executive directors, including the chairperson and senior independent director. Performance review should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.

4. BOARD RECOMMENDATIONS

The Committee shall also make the recommendations set out below to the Board, as appropriate.

4.1 **Nominations and succession planning**

The Committee shall make recommendations to the Board on:

(a) the appointment of any director to executive or other office;

(b) the chairperson of the Board, having assessed every three years whether the

present incumbent shall continue in post, taking into account the need for continuity versus freshness of approach;

(c) suitable non-executive directors for the role of senior independent director;

(d) membership of the Group's audit and risk committee, remuneration committee and any other Board committees as appropriate, in consultation with the chairperson of those committees; and

(e) formulating succession plans for both executive and non-executive directors and in particular for the key roles of chairperson and chief executive officer(s).

4.2 **Re-appointment of directors**

The Committee shall make recommendations to the Board on:

(a) 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; and

(b) re-election by shareholders in accordance with the UK Corporate Governance Code (Provision 18) or the retirement by rotation provisions in the articles of association, having regard to their performance and commitment to the role (particularly in relation to non-executive directors being re-elected for a time beyond six years).

4.3 **Continuation of office**

The Committee shall make recommendations to the Board on 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, subject to the provisions of the law and their service contract.

5. MEMBERSHIP

5.1 The Committee shall comprise a minimum of three members, a majority of whom shall be independent non-executive directors, as determined by the Board (in accordance with the principles of the UK Corporate Governance Code).

5.2 Appointments to the Committee are made by the Board on the recommendation of the Committee, in consultation with the Committee chairperson.

5.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further periods of up to three years, provided the member still meets the criteria for membership of the Committee.

5.4 The Board shall appoint the Committee chairperson, who shall be either the chairperson of the Board or an independent non-executive director. In the absence of the Committee chairperson and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The chairperson of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairpersonship.

5.5 The Committee chairperson shall review membership of the Committee annually, as part of the annual performance review of the Committee.

5.6 The company secretary or such other officer, employee or adviser of the Company as may be nominated from time to time by the Committee, shall act as the secretary of the Committee and will 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.

6. ATTENDANCE AT MEETINGS

6.1 The Committee shall meet at least twice a year and such other times as the chairperson of the Committee shall determine or as may be requested by any member of the Committee.

6.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chief executive officer(s), chief financial officer, the head of human resources and external advisers 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 chairperson.

6.3 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

6.4 Meetings of the Committee may be conducted when the members are physically present together or in the form of either audio or video conference.

7. NOTICE OF MEETINGS

7.1 Meetings of the Committee shall be called by the Committee chairperson or any member of the Committee or the secretary of the Committee at the request of any of its members.

7.2 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, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall, where practicable, be sent to Committee members and to other attendees as appropriate, at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee chairperson.

7.3 Supporting papers may be circulated electronically or in hard copy as circumstances permit.

8. QUORUM

The quorum necessary for the transaction of business at a Committee meeting shall be two members.

9. VOTING ARRANGEMENTS

9.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee (whether in person or by audio or video conference).

9.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

9.3 Except where he has a personal interest, the Committee chairperson shall have a casting vote.

9.4 The Committee chairperson may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

10. MINUTES OF MEETINGS

10.1 The secretary of the committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

10.2 Draft minutes of Committee meetings shall be circulated promptly to all Committee members. Once approved, minutes shall be circulated to all other Board members unless in the opinion of the Committee chairperson it would be inappropriate to do so.

10.3 A resolution in writing and signed 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.

10.4 Final signed copies of the minutes of the meeting of the Committee should be maintained for the Company's records.

11. ANNUAL GENERAL MEETING

The Committee chairperson should attend the Company's annual general meeting to answer any shareholder questions on the Committee's activities.

12. REPORTING RESPONSIBILITIES

12.1 The Committee chairperson shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all Committee meetings shall be included in the Board papers for a subsequent Board meeting.

12.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

12.3 The Committee shall produce a report to be included in the Company's annual report about its activities, the membership of the Committee, number of meetings and attendance over the course of the year and the process used to make appointments and the outcomes of its formal annual review and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement as to whether it has any connection with the Company.

12.4 The report referred to in paragraph 12.3 shall also include a description of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

12.5 The Committee shall make available its terms of reference by placing them on the Company's website.

12.6 All decisions on recommendations referred to the Board shall take effect only upon approval thereof by resolution of the Board, at a meeting which is properly convened and constituted and in accordance with the Company's articles of association.

13. GENERAL MATTERS

13.1 The Committee shall have access to sufficient resources to carry out its duties, including access to the company secretary for assistance as required.

13.2 The Committee shall 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.

13.3 In carrying out its duties, the Committee shall give due consideration to all relevant laws and regulations, in particular, the directors' duties contained in the Companies Act

2006, the provisions of the UK Corporate Governance Code and the requirements of the FCA Listing Rules,, Disclosure Guidance and Transparency Rules, and any other applicable rules, as appropriate.

13.4 The Committee shall arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

14. AUTHORITY

14.1 The Board authorises the Committee to carry out the duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate professional advice on any matter within its terms of reference, as it considers necessary.

14.2 The Board authorises the Committee to seek any information it requires from any employee or director of the Group, and all such employees or directors will be directed to co-operate with any request made by the Committee.

14.3 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Adopted at the Board meeting of the Company on 26 November 2019, amended 16 November 2026.