

LOOKERS PLC (PLC)

THE NOMINATION COMMITTEE

TERMS OF REFERENCE

**(as adopted by the Board of Directors of Lookers plc (PLC Board) on 1st October 2019
and amended on 25 January 2021)**

1. Membership

- 1.1 Members of the Nomination Committee shall be appointed by the PLC Board. The Nomination Committee shall be made up of at least three members. The majority of members shall be independent non-executive directors of PLC.
- 1.2 The Chairman of the PLC Board shall act as Chairman of the Nominations Committee and, in his absence, the senior independent director of PLC shall act as Chairman of the Committee. The Chairman of the PLC Board shall not chair the Nomination Committee when it is dealing with the matter of succession to the chairmanship of the PLC Board.
- 1.3 Only members of the Nomination Committee have the right to attend Nomination Committee meetings. However, other Directors and other individuals (including representatives of external advisers) may be invited to attend for all or part of any meeting as and when appropriate in the opinion of the Nomination Committee's Chairman or the majority of its members.
- 1.4 Membership of the Nomination Committee shall be periodically refreshed. Appointments shall be for a period of up to three years (subject to the election and re-election provisions in the Company's constitution and in the UK Corporate Governance Code) which may be extended for further periods of up to three years each, provided the Director concerned still satisfies the criteria for appointments to the Nomination Committee.

2. Secretary

The Company Secretary, or any other person selected for the task by the Nomination Committee, shall act as the Secretary of the Nomination Committee.

3. Quorum

The quorum necessary for the transaction of business shall be two members, all of whom shall be independent non-executive Directors. A duly convened meeting of the Nomination 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 Nomination Committee.

4. Frequency of Meetings

The Nomination Committee shall meet at least twice a year and otherwise as agreed.

5. Annual General Meeting

The Chairman of the Nomination Committee shall attend PLC's Annual General Meeting and be prepared to respond to any shareholder questions on the Nomination Committee's activities. The Nomination Committee Chairman may make a statement at the Annual General Meeting on the activities and achievements of the Nomination Committee during the year.

6. Notice of Meetings

6.1 Meetings of the Nomination Committee shall be called by the Secretary of the Nomination Committee at the request of the Chairman of the Nomination Committee or any member of the Nomination Committee.

6.2 Unless otherwise agreed by the Nomination Committee, 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 Nomination Committee, any other person required to attend and all other non-executive Directors, no later than five business days before the date of the meeting.

6.3 The Secretary shall ensure that each member of the Nomination Committee (and each other attendee as appropriate) receives information and papers no later than five business days prior to the meeting to enable proper consideration to be given to issues. Such information and papers can be sent in electronic form.

7. Minutes of meetings

7.1 The Secretary shall minute the proceedings and resolutions of all Nomination Committee meetings, including the names of those present and in attendance.

7.2 Draft minutes of the Nomination Committee meetings shall be agreed with the Nomination Committee Chairman within five business days of the meeting and then circulated promptly to all members of the Nomination Committee. Once approved, minutes should be circulated, to all other members of the PLC Board, other than where, in the opinion of the Nomination Committee Chairman, it would be inappropriate to do so.

8. Duties

The Nomination Committee should carry out the duties detailed below for PLC In carrying out these duties, the members of the Nomination 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 relevant 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.

8.1 The Nomination Committee shall:

- 8.1.1 regularly review the structure, size and composition (including the skills, knowledge, experience, diversity and independence) of the PLC Board and make recommendations to the PLC Board with regard to any changes required to execute strategy and to meet future challenges and opportunities facing PLC and its subsidiaries;
- 8.1.2 in making its recommendations to the PLC Board, have regard to the Chairman of the PLC Board's vision for achieving optimal PLC Board composition and assess periodically whether the desired outcome has been achieved;
- 8.1.3 be responsible for identifying and nominating for the approval of the PLC Board, candidates to fill PLC Board vacancies as and when they arise;
- 8.1.4 before appointment is made by the PLC Board and in the light of the Nomination Committee's evaluation of PLC's requirements, prepare a description of the role and capabilities (including the time commitment) required for a particular appointment and agree the process to be undertaken to identify, sift and interview suitable candidates. In identifying suitable candidates, the Nomination Committee shall:
 - 8.1.4.1 use open advertising or the services of external advisers to facilitate the search, where appropriate, while having due regard to internal talent and capability;
 - 8.1.4.2 consider other ways in which it can access a more diverse pool of candidates from which to appoint;
 - 8.1.4.3 consider candidates from a wide range of backgrounds;
 - 8.1.4.4 consider candidates on merit and against objective criteria and, within that context, promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
- 8.1.5 require that a proposed candidate's significant commitments are disclosed to the PLC Board with an indication of the time involved before appointment and that, following appointment, any additional external appointments should not be undertaken without prior approval of the PLC Board;
- 8.1.6 require that a proposed candidate discloses to the PLC Board before appointment any business or other interests which the proposed candidate has which could result in a conflict of interest for him or her as a member of the PLC Board;

- 8.1.7 ensure that on appointment to the PLC 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 PLC Board meetings;
- 8.1.8 keep under review PLC's leadership needs and the need to ensure progressive refreshing of the PLC Board and ensure that plans are in place for orderly succession to both PLC Board and senior management positions (being members of the Executive Committee and including the Company Secretary);
- 8.1.9 make recommendations to the PLC Board concerning succession plans for both PLC Board and senior management positions (including the Company Secretary) and in particular for the key roles of PLC Board Chairman and Chief Executive Officer (but see 8.2.6 below);
- 8.1.10 review and monitor the PLC Board's policy and practices as regards diversity, taking an active role in the setting and meeting of diversity objectives and strategies for the PLC group as a whole and the monitoring of the impact of diversity initiatives;
- 8.1.11 oversee and make recommendations to the PLC Board concerning the development of a diverse pipeline for succession to the PLC Board and senior management positions, including initiatives to develop and manage internal talent and capability;
- 8.1.12 ensure that all succession plans are based on merit and against objective criteria and, within that context, promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths;
- 8.1.13 consider and set the criteria for the objective and rigorous annual evaluation of the performance of the PLC Board, each PLC Board committee and each individual Director;
- 8.1.14 consider ways in which the performance evaluation process might obtain a broad range of feedback from the workforce and other stakeholders on the performance of the PLC Board, its committees and individual Directors;
- 8.1.15 supervise the annual performance evaluation of the effectiveness of the PLC Board and each committee, and the effective contribution of each member of the PLC Board and consider whether performance evaluation should be externally facilitated periodically;
- 8.1.16 review annually the time required from non-executive Directors and evaluate annually whether each non-executive Director is spending enough time to fulfil his/her duties;

- 8.1.17 ensure that the conclusions and recommendations arising out of the annual performance evaluation process are reported to the PLC Board and inform and influence succession planning;
- 8.1.18 agree an action plan addressing the results of the annual performance evaluation process and periodically review progress against the plan;
- 8.1.19 review the effectiveness of the annual performance evaluation process;
- 8.1.20 periodically review whether it is appropriate to set limits on the number and scale of other appointments it considers the Chairman of the PLC Board and other non-executive Directors may take on without compromising their effectiveness as members of the PLC Board;
- 8.1.21 in the course of its work, take account of PLC's strategic priorities and the main trends and factors affecting the group's long-term success and future viability and the markets in which it operates; and
- 8.1.22 work and liaise as necessary with all other PLC Board committees.

8.2 The Nomination Committee shall also make recommendations to the PLC Board concerning:

- 8.2.1 suitable candidates for the role of senior independent director;
- 8.2.2 membership of the Audit and Remuneration Committees, and any other PLC Board committees as appropriate, in consultation with the Chairmen of those committees;
- 8.2.3 the re-appointment of any non-executive Director at the conclusion of his specified term of office having given due regard to his performance, ability to continue to contribute to the PLC Board in the light of the knowledge, skills, experience and independence required, and the importance of his/her contribution to PLC's long-term sustainable success;
- 8.2.4 the election and re-election by shareholders of any Director under PLC's Articles of Association or under the UK Corporate Governance Code, having due regard to his performance, ability to continue to contribute to the PLC Board in the light of the knowledge, skills, experience and independence required and the importance of his/her contribution to PLC's long-term sustainable success and the need for progressive refreshing of the PLC Board;
- 8.2.5 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 PLC subject to the provisions of the law and his service contract; and

- 8.2.6 the proposed appointment of any Director to executive or other office with any group undertaking other than to the positions of Chairman of the PLC Board and Chief Executive Officer, the recommendation for which would be considered at a meeting of the PLC Board.
- 8.3 The Nomination Committee will carry out the following duties for the Group's major subsidiary companies:
- 8.3.1 regularly review the structure, size and composition (including the skills, knowledge, experience, diversity and independence) of the LMGL Board, the Board of Charles Hurst Dublin Limited ("**CHDL**") and any such other subsidiary Board vacancies as the PLC Board may request, and make recommendations to the PLC Board with regard to any changes required to ensure the effective functioning of that board.
 - 8.3.2 be responsible for identifying and nominating for the approval of the PLC Board, candidates to fill LMGL Board vacancies, candidates to fill CHDL Board vacancies and any such other subsidiary Board vacancies as the PLC Board may request, as and when they arise.
 - 8.3.3 keep under review LMGL's leadership needs and the need to ensure progressive refreshing of the LMGL Board and ensure that plans are in place for orderly succession for members of the LMGL Board;
 - 8.3.4 keep under review CHDL's leadership needs and the need to ensure progressive refreshing of the CHDL Board and ensure that plans are in place for orderly succession for members of the CHDL Board;
 - 8.3.5 oversee and make recommendations to the PLC Board concerning the development of a diverse pipeline for succession to the LMGL Board, including initiatives to develop and manage internal talent and capability;

9 Reporting Responsibilities

- 9.1 The Nomination Committee Chairman shall report formally to the PLC Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Nomination Committee shall make whatever recommendations to the PLC Board it deems appropriate on any area within its remit where it considers action or improvement is needed.
- 9.3 The Nomination Committee shall produce a report to be included in PLC's annual report describing its work, including:

- (i) the process used in relation to appointments, its approach to succession planning and how it supports developing a diverse pipeline;
- (ii) how the annual performance evaluation process has been conducted, the nature and extent of any external evaluator's contact with the PLC Board and individual Directors, the outcomes and actions taken, and how it has or will influence PLC Board composition;
- (iii) the policy on diversity, its objectives and linkage to PLC's strategy, how it has been implemented and progress on achieving those objectives;
- (iv) the gender balance of those in senior management and their direct reports; and
- (v) where a Director has been authorised by the PLC Board to accept a significant external appointment, the reasons for giving such authorisation; and
- (vi) the identity of any external search consultancy used and a statement whether such party has any other connection with PLC.

9.4 Where there is disagreement between the Nomination Committee and the PLC Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the Nomination Committee shall have the right to report the issue to PLC's shareholders as part of the report on its activities in the annual report.

10. Other

The Nomination Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 10.2 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;
- 10.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate; and
- 10.4 arrange for periodic reviews of its own performance and, at least once a year, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the PLC Board for approval.

11 Authority

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