

CAMELOT UK LOTTERIES LIMITED**NOMINATIONS COMMITTEE – TERMS OF REFERENCE****1. Constitution and Membership**

- 1.1 The Board has resolved to establish a Committee of the Board to be the Nominations Committee.
- 1.2 Members of the Committee shall be appointed by the Board and shall consist of three non-executive directors, one of whom shall be the Chairman of the Board.
- 1.3 The Chairman of the Board shall be the Chairman of the Committee. In the absence of the Committee Chairman and /or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
- 1.4 The Company Secretary shall act as Secretary to the Committee.
- 1.5 Only members of the Committee have the right to attend Committee meetings. However, other individuals, for example, the Chief Executive, HR Director, and external advisors may be invited to attend for all or part of any meeting as and when appropriate.
- 1.6 Appointments to the Committee shall be for a period of up to three years, which may be extended for further three-year periods provided that the majority of the Committee members remain independent.

2. Frequency of Meetings and Quorum

- 2.1 Meetings shall be held when the Chairman of the Committee deems it necessary.
- 2.2 The quorum necessary for the transaction of business shall be 2; one of whom must be the Chairman. 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.

3. Purpose

- 3.1 The Committee is responsible for adopting a formal, rigorous, and transparent procedure for the recommendation of new directors (including as Chairman) to the C Preference Shareholder. It is responsible for considering and recommending to the C Preference Shareholder suitable candidates as directors, who:
 - 3.1.1 have the time to commit to the Company;

- 3.1.2 are of appropriate experience, age, qualifications, background and reputation;
- 3.1.3 will provide constructive challenge, strategic guidance, specialist advice; and
- 3.1.4 will hold management to account,¹

so that any such appointment will enhance the Board's ability to discharge its functions and responsibilities.

4. Reporting Procedures

- 4.1 Agenda and papers for meetings will be circulated by the Company Secretary at least five days before the meeting.
- 4.2 The Company Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.

5. Duties

- 5.1 The Committee shall;
 - 5.1.1 when considering the need to recommend to the C Preference Shareholder the appointment of a director, review the structure, size, and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the C Preference Shareholder with regard to any changes, based on merit and objective criteria and, within this context, to promote diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths²;
 - 5.1.2 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, and based on merit and objective criteria and, within this context, to promote diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths³;
 - 5.1.3 be responsible for identifying and nominating for the approval of the C Preference Shareholder, candidates to fill Board vacancies as and when they arise;
 - 5.1.4 before appointment is made by the C Preference Shareholder, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities

¹ Amendments reflect UK Code 2018, Principle H.

² Amendments reflect UK Code 2018, Principle J.

³ Amendments reflect UK Code 2018, Principle J.

required for a particular appointment. In identifying suitable candidates, the Committee shall:

- 5.1.4.1 in the case of candidates for the Chairman, ensure that the successful candidate will have the skills and time to mentor and coach the Chief Executive and employees with a senior management role in the Company;
 - 5.1.4.2 use open advertising or the services of external advisers to facilitate the search;
 - 5.1.4.3 consider candidates from a wide range of backgrounds, paying due regard to the Board's diversity policy; and
 - 5.1.4.4 consider candidates on merit and against objective criteria, taking care that appointees have enough time to devote to the position;
 - 5.1.5 upon consideration of suitable candidates for non executive roles, review the time required from such non executive directors;
 - 5.1.6 ensure that on appointment to the Board by the C Preference Shareholder, 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 of Board meetings, and that additional external appointments should not be undertaken without the prior approval of the Board⁴.
- 5.2 The Committee shall also make recommendations to the C Preference Shareholder concerning;
- 5.2.1 formulating plans for succession for both executive and non executive directors and, in particular, for the key roles of Chairman and Chief Executive;
 - 5.2.2 the re-appointment of any non executive director at the conclusion of their specified terms 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;
 - 5.2.3 the continuation (or not) in service of any director who has reached the age of 70;
 - 5.2.4 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.

6. **Other**

⁴ Amendments reflect UK Code 2018, Provision 15.

6.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the C Preference Shareholder for approval.

7. **Authority**

7.1 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.

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

Approved by the Board 20 March 2019