

# Harbour Energy plc

## Nomination Committee

### Terms of Reference

#### 1 Constitution

- 1.1 The Nomination Committee is established as a committee of the Board of Directors (the “Committee”). The role and responsibilities of the Committee shall be as detailed in these terms of reference and shall not be amended except with the approval of the Board.

#### 2 Role

- 2.1 The role of the Committee is:
- 2.1.1 to ensure that plans are in place for orderly succession to (a) the Board and (b) senior management positions with due regard to the skills, knowledge, experience and diversity required to execute the Company’s strategy;
  - 2.1.2 To oversee the development of a diverse pipeline for succession to Board and senior management positions;
  - 2.1.3 to ensure that there is a formal, rigorous and transparent procedure for the appointment of new directors to the Board;
  - 2.1.4 to lead the process for Board appointments;
  - 2.1.5 in the context of its duty under 2.1.1 above, to review the structure, size and composition of the Board including the balance of skills, knowledge, experience and independence of non-executive directors and make recommendations with regard to any adjustments that are deemed necessary with due regard for the benefits of diversity on the Board;
  - 2.1.6 to review the results of any Board performance evaluation;

#### 3 Membership

- 3.1 The members of the Nomination Committee shall be appointed by the Board and shall comprise a chairman and a minimum of two other members.
- 3.2 A majority of members of the Committee shall be independent non-executive directors.
- 3.3 The Board shall appoint members of the Committee and the Committee Chairman, who shall be either the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining Committee members present shall elect one of their number (who shall be either the Chairman of the Board or an independent non-executive director) to chair the meeting.
- 3.4 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence.

- 3.5 When the Committee is assessing the performance of the Chairman of the Board or dealing with the matter of succession to the chairmanship of the Board, the discussions will normally be led by the Senior Independent Director (“SID”).

## 4 Committee Secretary

- 4.1 The Company Secretary or his or her nominee shall act as the Secretary of the Committee and will provide all necessary support to the Committee.

## 5 Quorum

- 5.1 The quorum necessary for the transaction of business shall be two members, both of whom must be independent non-executive directors. 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.

## 6 Frequency of Meetings

- 6.1 The Committee shall meet not less than twice a year and at such other times as the Chairman of the Committee or any member shall require.

## 7 Attendance

- 7.1 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Group Human Resources Director and/or external advisers may be invited to attend for all or part of any meeting, as and when appropriate. The Committee chairman shall have the discretion to decide who, other than Committee members, shall attend and address Committee meetings.
- 7.2 Meetings of the Committee may be conducted when the members are physically present together or in the form of either audio or video conference.

## 8 Notice of Meetings

- 8.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any member of the Committee.
- 8.2 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.

## 9 Minutes of Meetings

- 9.1 The Company Secretary (or his/her nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 9.2 Minutes of Committee meetings shall be circulated to all members of the Committee and once approved by the Chairman, shall be circulated to all other members of the Board unless, in the opinion of the Committee Chairman, a conflict of interest would arise from such circulation.

- 9.3 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 and shall be circulated to the Board unless a conflict of interest would arise from such circulation.

## 10 Annual General Meeting

- 10.1 The Chairman of the Committee shall attend the Company's Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

## 11 Duties

- 11.1 The duties of the Committee shall be as follows:

### **Composition of the Board**

The Committee shall:

- 11.1.1 regularly review the structure, size and composition of the Board, including the skills, knowledge, experience, independence and diversity of the Board, and make recommendations to the Board (either as a result of the annual Board evaluation process or otherwise) with regard to any changes that are deemed necessary in order to optimise Board composition; and
- 11.1.2 recommend to the Board and review annually a policy on diversity, including gender, and consider any measurable objectives for implementing policy and progress in achieving the objectives.

### **Succession Planning**

The Committee shall:

- 11.1.3 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 the skills, knowledge, experience and expertise needed on the Board in the future;
- 11.1.4 satisfy itself that processes and plans are in place for the orderly succession for appointments to both Board and senior management; and
- 11.1.5 review once a year the development and leadership potential of senior executives below Board level.

### **Appointments to the Board**

The Committee shall:

- 11.1.6 lead the process for Board appointments;
- 11.1.7 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;
- 11.1.8 be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- 11.1.9 in identifying suitable candidates, the Committee shall normally:

- use open advertising and/or the services of external advisors to facilitate the search;
  - consider candidates from a wide range of backgrounds; and
  - consider candidates on merit and against objective criteria and, within that context, make recommendations with a view to promoting diversity on the Board (including diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths), taking care that appointees have enough time available to devote to the position;
- 11.1.10 for the appointment of a chairman, prepare a job specification, including an assessment of the time commitment expected recognising the need for availability in the event of crises. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and included in the annual report. Any changes to the Chairman's commitments should be reported to the Board as they arise and their impact explained in the next annual report;
- 11.1.11 prior to the appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 11.1.12 ensure on appointment that a candidate has sufficient time to undertake the role and review his commitments, taking into account his other Board appointments; and
- 11.1.13 ensure that the Secretary on behalf of the Board has formally written to any appointees, detailing the role and time commitments, including committee service and involvement outside Board meetings, and proposing an induction plan produced in conjunction with the Chairman.

#### **Board Evaluation**

The Committee shall:

- 11.1.14 review the results of the annual Board performance evaluation process;
- 11.1.15 review once a year its own performance and terms of reference to ensure it is operating effectively and recommend any appropriate changes to the Board; and
- 11.1.16 as part of the annual Board performance evaluation review the time required from non-executive directors, including the Chairman and Senior Independent Director and, taking into account the number of external directorships held, assess whether the non-executive directors continue to have sufficient time to fulfil their duties.

#### **Staff Forum (workforce advisory panel)**

The Board has a duty to:

- ensure effective engagement with the Company's workforce (as one of the Company's stakeholders);
- enable the workforce to raise matters of concern with the Board; and
- assess and monitor the Company's culture in order to ensure that it is aligned with the Company's purpose, values and strategy

In furtherance of this duty the Committee shall:

- 11.1.17 regularly, consider reports from the Staff Forum on the culture of the business; and
- 11.1.18 at least once a year, consider reports from one or more of the non-executive directors following their discussions with members of the workforce.

## 12 Board Recommendations

- 1.2. The Committee shall also make recommendations to the Board as appropriate as follows:

### **Nominations and succession planning**

The Committee shall make recommendations to the Board:

- 12.1.1 concerning the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of:
  - all the non-executive directors regarding the position of Chief Executive; and
  - all the directors regarding the position of Chairman;
- 12.1.2 with regard to the membership and chairmanship of the Audit and Risk Committee and the Remuneration Committee, in consultation with the Chairmen of those Committees;
- 12.1.3 concerning the re-appointment of the Chairman of the Board, having assessed every three years whether the present incumbent shall continue in post, taking into account the needs of continuity versus freshness of approach;
- 12.1.4 concerning suitable candidates for the role of Senior Independent Director; and
- 12.1.5 concerning succession plans for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive.

### **Re-appointment of Directors**

The Committee shall make recommendations to the Board on:

- 12.1.6 any matters relating to the continuation in office as a director of any director at any time;
- 12.1.7 the re-appointment of any non-executive director at the conclusion of his or her specified term of office, having given due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required;
- 12.1.8 concerning the re-election by shareholders of any director under the annual re-election provisions of the UK Corporate Governance Code or the 'retirement by rotation' provisions in the Company's articles of association, having 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 the need for progressive refreshing of the Board. The recommendations shall explain why, in the Committee's view, the director's contribution continues to be important to the Company's long-term sustainable success; and

12.1.9 any matters arising from the Committee's meetings with the Staff Forum.

## 13 Reporting responsibilities

- 13.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 13.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 13.3 The Committee shall produce a report to be included in the Company's Annual Report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used in the appointment of a chairman or a non-executive director. Where an external search agency has been used, it shall be identified in the Annual Report and a statement made as to whether it has any other connection with the Company.
- 13.4 The report referred to in 13.3 above shall also include a description of:
- The Committee's approach to succession planning;
  - How the process for appointments and the approach to succession planning support the development of a diverse pipeline for succession;
  - How the Board evaluation has been conducted, the nature and extent of any external evaluator's contact with the Board and individual directors, the outcomes and actions taken, and how the process has influenced, or will influence, the composition of the Board;
  - The policy on diversity and inclusion, its objectives and how it is linked to Company strategy, how it has been implemented, and progress in achieving the objectives; and
  - The gender balance of those in senior management and their direct reports.
- 13.5 The Committee shall make available its terms of reference on the Company's website explaining its role and the authority delegated to it.

## 14 General

- 14.1 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. Individual training shall be discussed and agreed with the Company Secretary.
- 14.2 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 UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate.

## 15 Authority

- 15.1 The Committee is authorised to undertake such work as is necessary to make recommendations for approval by the Board and is authorised to seek any information it requires from any employee of the Company in order to perform its duties.

15.2 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 Nomination Committee (no changes made)	17 November 2020
Approved by the Board of Directors	10 December 2020