

## SIRIUS MINERALS PLC

### NOMINATIONS COMMITTEE TERMS OF REFERENCE

(Approved by the Board of Sirius Minerals Plc on 11 March 2019)

#### 1. Constitution

By resolution of the Board of Directors of the Company (the “**Board**”), it has been agreed to establish a committee of the Board, to be called the Nominations Committee (the “**Committee**”).

#### 2. Membership

2.1 The Committee shall comprise of at least three directors chosen by the Board.

2.2 The majority of members of the Committee must be independent, non-executive directors. Upon ceasing to be a director of the Company, individuals immediately cease to be members of the Committee.

2.3 Appointments to the Committee shall be for a period of up to three years. Appointments are renewable for periods of up to three years, provided the director still meets the criteria for membership of the Committee.

2.4 The chairman of the Committee (“**Chairman**”) shall be a member of the Committee who is an independent non-executive director, elected by the Committee. However, if the Committee is dealing with the matter of the succession to the chairmanship of the Board then the Chairman of the Board, if he or she is a member of the Committee, shall not chair the meeting.

2.5 In the absence of the Chairman the remaining members present shall elect one of their number to chair the meeting.

#### 3. Meetings

3.1 A meeting shall be held at least twice per financial year.

3.2 The Committee shall meet at such times as the Chairman shall require.

3.3 A meeting of the Committee may also be called by any member of the Committee.

3.4 The quorum for meetings shall be two members of the Committee, each of whom must be an independent non-executive director, present throughout the meeting. Members may be present via telephone. 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.

3.5 Notice of each meeting confirming the venue, time and date, as well as any telecommunication alternatives, together with an agenda of items to be discussed shall be forwarded to each member of the Committee not fewer than five working days prior to the date of the meeting.

3.6 No one other than the Chairman and members of the Committee is entitled to be present at a meeting of the Committee. However, the Chairman may invite such non- members of the Board or external advisers to attend for all or part of any meeting, as and when appropriate.

3.7 The Company Secretary shall minute the proceedings and resolutions of all meetings as well as keep appropriate records.

3.8 Copies of the minutes of the meetings shall be circulated promptly to all members of the Committee and to the Chairman of the Board unless in the opinion of the Chairman it would be inappropriate to do so. Any director of the Company may, upon request to the Company Secretary and provided there is no conflict of interest, obtain copies of the Committee's agenda and minutes.

3.9 The Chairman, or a duly designated Committee member, shall attend the annual general meeting of the Company prepared to respond to shareholder questions on the Committee's activities. All members of the Committee shall also attend the annual general meeting.

#### **4. Duties**

4.1 The Committee shall:

4.1.1 regularly review the structure, size and composition (including the skills, knowledge, experience, independence, diversity and succession planning) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;

4.1.2 ensure plans are in place for orderly succession to both the Board and senior management positions, conduct a continuous and proactive process of planning and assessment 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 and in senior management positions in the future;

4.1.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;

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

a) use open advertising or the services of external advisers to facilitate the search, whilst having regard to internal talent and capability;

b) agree the process to be undertaken to identify, sift and interview suitable candidates, ensuring that the interview process is conducted so that candidates with diverse backgrounds are not disadvantaged;

c) consider candidates from a wide range of backgrounds; and

d) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity (of gender, social and ethnic backgrounds, and cognitive and

personal strengths) on the Board, including gender, age, educational and professional background, taking care that appointees have enough time available to devote to the position;

- 4.1.5 assist with the annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its committees, including consideration of the balance of skills, experience, independence and knowledge of the Company on the Board, its diversity, including gender, age, educational and professional background, how the Board works together as a unit, and other factors relevant to its effectiveness;
- 4.1.6 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;
- 4.1.7 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 4.1.8 review annually the time required from non-executive directors and assess whether they contribute effectively and demonstrate commitment to the role. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- 4.1.9 keep under review the Company's policy on diversity, including gender, age, educational and professional background and any measurable objectives that it has set in implementing the policy, and progress on achieving the objectives;
- 4.1.10 prepare a job specification for the appointment of a Chairman of the Board, 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 any changes to the commitments of the Chairman of the Board should be reported to the Board as they arise;
- 4.1.11 prior to the appointment of a director, request that the proposed appointee discloses the time commitments involved in any business or other interests which he has, including any business interests or other interests that may result in a conflict of interest for him/her as a member of the Board and is required to seek prior approval of the Board before taking on any additional external appointments;
- 4.1.12 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;
- 4.1.13 make available these terms of reference, explaining the role of the Committee and the authority delegated to it by the Board by including the information on the Company's website; and
- 4.1.14 work and liaise as necessary with all other Board committees.

4.2 The Committee shall also make recommendations to the Board concerning:

- 4.2.1 formulating plans for succession for both executive and non-executive directors and senior management and in particular for the key roles of Chairman of the Board and Chief Executive;
- 4.2.2 suitable candidates for Board positions;
- 4.2.3 membership of the Audit and Remuneration Committees, and any other Board Committees as appropriate, in consultation with the chairs of those Committees;
- 4.2.4 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, experience, time commitment, independence and diversity required;
- 4.2.5 the continuation (or not) in service of any director who has reached the age of retirement required by the Company's articles;
- 4.2.6 the election and re-election by shareholders of any director under the annual re-election provisions of the UK Corporate Governance Code (the "Code") or the 'retirement by rotation'/annual re-election 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 experience, time commitment and independence required, and the need for progressive refreshing of the Board
- 4.2.7 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;
- 4.2.8 the appointment of any director to executive or other office; and
- 4.2.9 the appointment of the Company Secretary.

4.3 The Committee is a sub-committee of the Board and as such exercises such powers of the Board as have been delegated to it, are answerable to the Board and will report to it on a regular basis/the Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

4.4 It is the responsibility of the Chairman to decide what data he or she considers necessary in order to fulfil the duties outlined above, and to ensure that this is circulated to all members of the Committee. The Board has agreed to provide the Committee with full co-operation in the fulfilment of its duties.

4.5 To consider other topics as directed by the Board from time to time.

4.6 The Committee shall produce a report which will form part of, or be annexed to, the Company's annual report which describes the roles and responsibilities of the Committee and actions taken by the Committee to discharge those responsibilities. The Committee report shall in particular:

- 4.6.1 describe the process used in relation to Board appointments, its approach to succession planning and how both support developing a diverse pipeline of talent;
- 4.6.2 describe the policy on diversity (of gender, social and ethnic backgrounds, and cognitive and personal strengths) and inclusion, its objectives and linkages to company strategy, how it has been implemented and progress on achieving the objectives during the reporting period;
- 4.6.3 explain if neither an external search consultancy nor open advertising has been used in the appointment of the Chairman of the Board or a non-executive director and identify any external search consultancy used and include a statement as to whether it has any other connection with the Company;
- 4.6.4 set out the gender balance of those in the senior management (being the executive committee or first layer of management below board level, including the company secretary) and their direct reports; and
- 4.6.5 where a director has been authorised by the Board to accept a significant external appointment, explain the reasons for permitting such significant appointments.

## **5. Other Matters**

The Committee shall:

- 5.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- 5.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 5.3 give due consideration to laws and regulations including the general duties of directors in the Companies Act 2006, the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing, Prospectus and Transparency Rules, the guidance in the Financial Conduct Authority's Disclosure Guidance and any other applicable rules and guidance, as appropriate; and
- 5.4 arrange for periodic reviews of its own performance and, at least annually, 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 Board for approval.

## **6. Authority**

- 6.1 The Committee is a fully constituted committee of the Board established to perform the duties set out above and to report on those matters to the Board.
- 6.2 All decisions of the Committee in respect of the appointment of directors shall be referred to the Board and shall take effect only upon approval thereof by resolution of the Board.
- 6.3 The Committee shall have the power to employ, at the Company's expense, the services of such advisors as it deems necessary to fulfil its responsibilities.
- 6.4 The Committee is authorised to seek any information it requires from any employee of the Company or group company in order to perform its duties.