



**Metro Bank Holdings PLC**

**Nomination Committee**

**Terms of Reference**

**Revision history:**

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| <b>Approved by the Board</b> | <b>25 July 2023</b> |
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## **NOMINATION COMMITTEE**

### **TERMS OF REFERENCE**

**Version 1.0**

## **1 CONSTITUTION**

Metro Bank Group (the “Group”) consists of Metro Bank Holdings PLC (the “Holding Company”) and its subsidiaries. The Holding Company Board of Directors (the “Board”) has established a Committee of the Board, known as the Nomination Committee (the “Committee”), with Terms of Reference as set out below.

## **2 MEMBERSHIP**

- 2.1 Members of the Committee shall be appointed by the Board in consultation with the Committee Chair. The Committee shall be made up of at least three members, including the Committee Chair, and a majority of whom shall be independent Non-Executive Directors, as determined by the Board (in accordance with the UK Corporate Governance Code (“the Code”)).
- 2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer and Chief People Officer may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 2.3 Appointments to the Committee shall be for a period of up to three years, extendable provided members still meet the criteria for membership of the Committee.
- 2.4 The Board shall appoint the Committee Chair who should be either the Board Chair or an independent Non-Executive Director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Board Chair shall not chair the Committee when it is dealing with the matter of Board Chair succession.
- 2.5 The Committee should have cross-memberships with the People and Remuneration Committee.

### **3 SECRETARY**

The Company Secretary of the Holding Company or their nominee shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

### **4 QUORUM**

4.1 The quorum necessary for the transaction of business shall be two, both of whom must be independent Non-Executive Directors.

4.2 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.

### **5 FREQUENCY OF MEETINGS**

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

### **6 NOTICE OF MEETINGS**

6.1 Meetings of the Committee shall be called by the Secretary at the request of the Committee Chair or any of its members.

6.2 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 and any other person required to attend no later than five days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **7 MINUTES OF MEETINGS**

- 7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2 The Secretary shall record any conflicts of interest divulged at the meeting.
- 7.3 Minutes of Committee meetings shall be circulated to all members of the Committee and, once agreed, to all members of the Board unless in the opinion of the Committee Chair it would be inappropriate to do so.

## **8 ANNUAL GENERAL MEETING**

The Committee Chair should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities. In addition, where appropriate, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility as required.

## **9 DUTIES**

The Committee shall carry out the duties below for the Holding Company and the Group, as appropriate.

### **Board and Committee Appointments**

- 9.1. The Committee should ensure that there is an appropriate combination of Executive and Non-Executive (in particular independent Non-Executive) Directors, with at least 50% of the Board being comprised of independent Non-Executive Directors (excluding the Board Chair), such that no one individual or small group of individuals dominates the Board's decision-making.
- 9.2. In identifying suitable candidates for the Board the Committee shall conduct a formal, rigorous and transparent procedure including:

- complete a comprehensive external search process, which may include assessing candidates recommended by existing Board members;
- consider candidates on merit and against objective criteria and with due regard for the benefits of diversity including gender, social and ethnic backgrounds, cognitive and personal strengths on the Board, taking care that appointees have enough time available to devote to the position; and
- ensure an appropriate selection process is followed, including current Board members meeting and assessing candidates prior to Board approval of any appointments.

- 9.3. Prior to the appointment of a Board member, require proposed appointees to disclose other significant commitments to the Board to ensure they can devote sufficient time to meet their Board responsibilities, as well as any other business interests that may result in a conflict of interest;
- 9.4. 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;
- 9.5. For the appointment of the Board Chair, prepare a job specification, including the time commitment expected. The Board Chair should not be involved in the appointment of the new Board Chair, who should be independent on appointment. The proposed Board Chair's other significant commitments should be disclosed to the Board before appointment and included in the annual report;
- 9.6. Recommend to the Board suitable candidates for the appointment of the Senior Independent Non-Executive Director, Designated Non-Executive Director for Colleague Engagement and any other Board role, as required;
- 9.7. Recommend to the Board appointments to the Audit, People and Remuneration, Nomination and Risk Oversight Committees, including the technical skills and knowledge required, in consultation with the Chairs of those Board Committees;
- 9.8. Recommend to the Board the annual re-election of Directors by shareholders and the re-appointment of Non-Executive Directors at the conclusion of their term of office having due regard to their performance and ability to continue to contribute to the Board.

### **Succession Planning**

- 9.9. Give full consideration to succession planning for Board members and Senior Management including the length of service of Non-Executive Directors and the need to regularly refresh Board membership, taking into account the Board's Diversity Policy, the Group's strategic priorities and the main trends and factors affecting the long-term success and future viability of the Group, and what skills and expertise are therefore needed on the Board in the future;
- 9.10. Regularly review the structure, size and composition (including the skills, knowledge, experience, independence and diversity) of the Board as a whole compared to its current position and make recommendations to the Board with regard to any changes;
- 9.11. Review the talent and progression of colleagues for potential succession to the Metro Bank PLC Executive Committee;
- 9.12. Review plans for succession for the key roles of Board Chair, Chief Executive Officer, Chief Financial Officer and Senior Independent Director taking into account contingency, medium- and long-term planning.

### **Diversity and Skills**

- 9.13. Set the Board's policy for diversity in relation to the Board and recommend this to the Board for approval, taking into the FCA's Listing Rules and best practice;
- 9.14. Review the Non-Executive Director skills matrix in the context of Non-Executive Director succession planning;
- 9.15. Ensure that there is a diverse pipeline for appointments with a view to ensuring the continued ability of the Group to compete effectively in the market.

### **Conflicts of Interest and Governance**

- 9.16. Keep under review the number of external appointments held by each Board member and ensure that each Director has been able to devote enough time to adequately fulfil their Board duties;
- 9.17. Keep under regular review any authorisations granted by the Board in connection with Board members' conflicts of interest;
- 9.18. Review compliance with, and the effectiveness of, the Group's Conflicts of Interest Policy and recommend any changes to the policy to the Board;

- 9.19. Review the results and feedback of the Board performance evaluation process that relate to the remit of the Committee, such as Board composition, skills and diversity;
- 9.20. Annually review the Terms of Reference for the Board role of Designated Non-Executive Director for Colleague Engagement;
- 9.21. Consider any matters relating to the continuation in office of any Board member at any time including the suspension or termination of service of any Executive Director as an employee of the Bank subject to the provisions of the law and their service contract;
- 9.22. Work and liaise as necessary with all other Board Committees, as appropriate.

## **10 REPORTING RESPONSIBILITIES**

- 10.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall produce a report to be included in the Holding Company's annual report about its activities including:
  - i. the process used to make appointments and explain if external advice or open advertising has or has not been used. 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 connection with the Group;
  - ii. the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline;
  - iii. how the board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual Board members, the outcomes and actions taken, and how it has or will influence Board composition, identifying any external evaluator together with a statement about any other connection it has with the Group or individual Board members;
  - iv. the policy on diversity and inclusion, its objectives and linkage to Group strategy, how it has been implemented and progress on achieving the objectives; and



v. the gender balance of Senior Management and their direct reports.

10.4 The report referred to in 10.3 above should include a statement of the Board's policy on diversity and any measurable objectives it has set for implementing the policy, and progress on achieving the objectives.

## **11 OTHER MATTERS**

### **The Committee shall:**

11.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.

11.2 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.

11.3 Give due consideration to laws, regulations, the provisions of the Code, the requirements of the Financial Conduct Authority's Listing Rules, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules.

11.4 Arrange for periodic review of its own performance and, at least annually, review its Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11.5 Work and liaise as necessary with other Board Committees as required.

## **12 AUTHORITY**

12.1 The Committee is authorised by the Board to obtain, at the Group's expense, outside legal or other professional advice on any matters within its Terms of Reference.