

# Terms of reference of the Nomination Committee

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## **1. Constitution**

The Board of Directors (the “Board”) of Amati AIM VCT plc (the “Company”) has resolved to establish a Committee of the Board to be known as the Nomination Committee (the “Committee”).

## **2. Membership**

2.1 The Committee shall consist of the independent non-executive directors.

2.2 The Chairman of the Committee shall be appointed by the Board. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chairmanship of the Company.

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

## **3. Secretary**

A representative of the company secretary shall act as secretary to the Committee.

## **4. Quorum**

A quorum will be two members.

## **5. Meetings**

5.1 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.

5.2 A meeting of the Committee may be called by any of its members.

5.3 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 not fewer than five working days prior to the date of the meeting.

5.4 The secretary of the Committee shall minute the proceedings and resolutions of all meetings.

5.5 Copies of the minutes of the meetings shall be circulated to all members of the Committee.

## **6. Annual General Meeting**

The Chairman of the Committee shall attend the Annual General Meeting to respond to any shareholder questions relating to the matters for which the Committee is responsible.

## **7. Duties**

The duties of the Committee shall be:

7.1 Review regularly the Board structure, size and composition (including the balance of knowledge, experience, skills and diversity) and make recommendations to the Board with regard to any changes.

7.2 Draw up plans for succession for the directors taking into account the challenges and opportunities facing the Company and what skills and expertise are needed on the Board in future.

7.3 Be responsible for identifying and nominating candidates for the approval of the Board to fill Board vacancies as and when they arise through a formal, rigorous and transparent appointment process. In identifying suitable candidates, the Committee

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shall:

- A) Use the services of external advisors to facilitate the search if considered necessary and appropriate;
  - B) Consider candidates from a wide and diverse range of backgrounds;
  - C) Consider candidates on merit and against objective criteria, and with due regard for the benefits of diversity on the Board, including but not limited to gender, ethnicity, social background, cognitive and personal strengths, taking care that appointees have enough time available to devote to the position;
  - D) Prior to the appointment of a Director, other significant time commitments should be disclosed and any additional future commitments should not be undertaken without prior approval of the Board. The proposed appointee should also be required to disclose any other business interests that may result in a conflict of interest. These must be authorised by the Board prior to appointment and any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the Board.
- 7.4 Before any appointment is made by the Board, 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 required for a particular appointment.
- 7.5 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 of Board meetings.
- 7.6 In respect of Directors who are retiring under the provisions of the AIC Code of Corporate Governance (AIC Code) or the Company's Articles of Association or whose term of appointment is due to expire, make recommendations to the Board as to their suitability for re-election or re-appointment based on their contribution to the Committee and the Board as a whole.
- 7.7 Determine the policy on the tenure of the Chair, to be disclosed in the Annual Report. A clear rationale for the expected tenure should be provided, and the policy should explain how this is consistent with the need for regular refreshment and diversity.
- 7.8 Undertake a formal evaluation of each Director's performance, as well as the performance and function of the Board as whole and the Board Committees, on an annual basis, taking into account the balance of skills, experience, independence and knowledge of the Company in the Board as well as the Board's diversity, how the Board works together as a unit and any other functions relevant to its effectiveness. The Committee Chairman shall take the lead in the annual evaluation of the performance of the Chairman of the Board to ascertain that the Chairman fulfils these responsibilities and has no relationships that may create a conflict of interest between the Chairman's interest and those of shareholders and that other significant commitments will not impinge on the Chairman's duties to the Board. The Committee Chairman shall discuss with the other Directors the performance of the Chairman of the Board. following which the Committee Chairman shall meet with the Chairman to discuss performance. The Committee will make formal recommendations to the Board following the evaluation process including recommendations on the election and re-election of Directors. Consideration should be given to using an externally facilitated board evaluation (*Note: not compulsory for companies outside the FTSE 350*).
- 7.9 Review, at least annually, 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.

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## **8. Reporting Responsibilities**

- 8.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also report formally to the Board on how it has discharged its responsibilities, and any other issues on which the Board has requested the Committee's opinion.
- 8.2 The Committee shall report to the Board, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken.
- 8.3 The Committee shall provide a description of its work in the annual report in line with the requirements of the AIC Code.

## **9. Authority**

The Committee shall:

- 9.1 Have access to sufficient resources in order to carry out its duties.
- 9.2 Be authorised by the Board to investigate any matter within its terms of reference.
- 9.3 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.
- 9.4 Give due consideration to laws and regulations, the provisions of the AIC Code and the requirements of the FCA, UK Listing Authority, legal and other regulatory authorities or bodies.
- 9.5 Have the right to obtain at the Company's expense independent legal, professional advice, on any matter it believes it necessary to do so.

Last updated on 1 December 2022