

**HYDROGEN GROUP PLC
TERMS OF REFERENCE
OF THE NOMINATION COMMITTEE**

1 PURPOSE

The Nomination Committee is a sub-committee of the Board and shall be appointed by it in accordance with the Company's Articles of Association. Its purpose is to lead the process for new Board appointments (both Executive and Non-Executive) and to make recommendations on developing talent in order to plan for succession to the Board and the Executive Board.

2 MEMBERSHIP

- a. The Nomination Committee shall consist of at least two independent Non-Executive Directors and one Executive Director.
- b. The Chairman of the Company will chair the Nomination Committee, except when the Committee is dealing with the appointment of a successor Chairman.
- c. In these circumstances, or in the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting..
- d. Only members of the committee have the right to attend committee meetings. However, the CEO, other senior employees and external advisors may be invited to attend for all or part of any meeting, as and when appropriate and necessary. The CEO will be a member of the Committee for any appointment of a new Chairman.
- e. Membership of the Committee will be reviewed by the Board on an annual basis..
- f. In appointing members of the Nomination Committee the Board will have regard to the recommendations and principles of the QCA Corporate Governance Code.

3 MEETINGS

- a. Any member of the Committee may request a meeting of the Committee if they consider it necessary.
- b. The Company Secretary will act as Secretary to the Committee.
- c. The Committee will meet as required but no less than once each year.
- d. Unless agreed otherwise, notice of each meeting will be given to members of the Committee and to any other person required to attend at least three working days before the date of the meeting.
- e. Meetings may be held by conference call or by electronic means, so long as those present can hear each other and contribute simultaneously to the meeting.
- f. The quorum for the transaction of business will be two, including at least one independent non-executive director.

4 AUTHORITY

- a. The Board authorises the Nomination Committee to investigate any matter within its terms of reference and seek any information it requires from any employee (all employees being directed to co-operate with any such request by the Nomination Committee).
- b. The Committee will have access to sufficient resources in order to carry out its duties and may obtain internal or external legal or other independent professional advice at the cost of the Company, including obtaining advice from third parties with relevant experience and expertise in connection with the matters within these terms of reference.

5 DUTIES AND RESPONSIBILITIES

The Nomination Committee will:

- a. Regularly review the structure, size and composition of the Board and Committees of the Board and make recommendations to the Board with regard to any changes;
- b. Act on the results of performance evaluations of the Board and its Committees and make recommendations to the Board for changes, as required, including the nomination of any Senior Independent Director;
- c. Review annually the time required from the Chairman and Non-Executive directors and assess whether they are spending enough time to fulfil their duties;
- d. Evaluate the individual performance of directors each year in preparation for the Board's recommendation of directors to be re-appointed by shareholders at each Annual General Meeting
- e. Manage the process for the appointment of new directors to the Board, identifying and nominating candidates to fill Board vacancies, as and when they arise. In so doing:
 - For the avoidance of doubt, the Committee shall make final recommendations on Board appointments but only the full Board has the power to effect the appointment (or termination of appointment) of any director.
 - The Committee shall draw up a formal written description of the role and capabilities required for each particular appointment, including, for the appointment of a Chairman or Non-Executive Director, the time commitment expected.
 - The Committee shall take into account the balance of skills, knowledge, background and experience on the board and its diversity as well as the individual skills and experience necessary for the role in recommending any appointment to the Board.
 - The Committee will operate a transparent process for identifying suitable candidates. This may include open advertising or the use of headhunters or other external specialist advisers to facilitate the search.
 - The Committee will aim to generate interest from candidates from a wide range of backgrounds and will consider candidates on merit, against the objective criteria specified in the role description and with due regard for the provisions of the Equality Act 2010.

- f. Keep under review the leadership needs of the Group, with a view to ensuring the continued ability of Hydrogen to compete effectively in the international recruitment marketplace;
- g. Receive reports on any changes at Executive Board level;
- h. Monitor succession planning for both the Board and the Executive Board taking into account the challenges and opportunities facing the Group and the skills and expertise likely to be needed in future;
- i. Ensure that steps are being taken to identify, promote and develop talent within the business in order to build a pipeline of leaders who could potentially succeed to senior positions;
- j. 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;
- k. Consider and make recommendations to the board about the extension of appointment of any non-executive director at the conclusion of their initially specified term of office, giving due regard to individual performance and ability to continue to contribute to the Board and the need for progressive refreshing of the Board;
- l. Consider and make recommendations to the board on any matter relating to the continuation in office of any director at any time, including the suspension or termination of service of any director;
- m. Work and liaise as necessary with other Board committees, in particular the Remuneration Committee when determining the terms on which any new appointment will be made or in approving changes to the terms of any director's service agreement.

6 REPORTING AND REVIEW

- a. The Chairman of the Committee shall report to the Board on its proceedings after each meeting.
- b. Once the minutes of a Committee meeting have been approved by the Committee Chairman, the Secretary will circulate the minutes to all members of the Board, unless, in the opinion of the Committee Chairman, it would be inappropriate to do so.
- c. The Group's policy on diversity and any objectives set will be a matter for the full Board.
- d. The Nomination Committee shall review annually its terms of reference and its own effectiveness and recommend any necessary changes to the Board.

These terms of reference were adopted by the Nomination Committee and approved by the Board on 7 February 2014.

Reviewed and updated by the Board on 5 February 2015

Reviewed and updated by the Board on 14 September 2018