

# Hilton Food Group

## Terms of Reference - Nomination Committee

Approved by the Board on 16 December 2020.

### 1. Constitution

- 1.1. The Board of Directors of Hilton Food Group plc (the “**Board**”) hereby constitutes and establishes a Nomination Committee (the “**Committee**”). These terms of reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee for compliance with the UK Corporate Governance Code and to assist the Committee in achieving best practice in corporate governance for Hilton Food Group and its subsidiaries.

### 2. Membership

- 2.1. The Committee shall comprise at least three Directors. A majority of the members of the Committee shall be independent Non-Executive Directors.
- 2.2. Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the Director still meets the criteria for membership of the Committee.
- 2.3. The Board shall appoint the Committee Chairman who should 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 members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not chair the Committee when it is dealing with the appointment of their successor.
- 2.4. The Committee chair shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
- 2.5. The Company Secretary 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 of the relevant issues.

### 3. Quorum

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

### 4. Attendance at Meetings

- 4.1. The Committee shall meet at least twice per year and otherwise as the Chairman of the Committee shall require.
- 4.2. Only members of the Committee have the right to attend and vote at Committee meetings. However, other individuals such as the Chief Executive, senior human resource management and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 4.3. Meetings of the Committee may be conducted when the members are physically present together or in the form of either audio or video conference.

### 5. Notice of Meetings

- 5.1. Meetings of the Committee shall be called by the secretary at the request of the Committee Chairman.
- 5.2. 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, any other person required to attend and all other Non-Executive Directors, no later than three working 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, but Committee papers may be forwarded at shorter notice with the approval of the Committee chair.
- 5.3. The Committee may send notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

### 6. Minutes of Meetings

- 6.1. The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Draft minutes of Committee meetings shall be agreed with the Committee chair and then circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chairman it would be inappropriate to do so.

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### 7. Annual General Meeting

- 7.1. The Committee Chairman should attend the Annual General Meeting, to answer any shareholder questions on the Committee's activities.

### 8. Duties

The Committee shall carry out the following duties below for the parent Company and its subsidiaries and advise the Board as appropriately;

#### 8.1. Composition of the Board and Senior Management

- (a) regularly review the structure, size, effectiveness and composition (including the skills, independence, knowledge, experience and diversity) of the Board and its Committees, taking account of the Company's strategic priorities and the matters affecting the Company in 8.1(c) and make recommendations to the Board with regard to any changes that are deemed necessary;
- (b) keep under review the leadership needs of the organisation, relating both to the Board and Senior Management, with a view to ensuring the continued ability of the company to compete effectively in the marketplace;
- (c) keep up to date and fully informed about the strategic and commercial issues and priorities and main trends and factors affecting the long-term success and future viability of Company and the market in which it operates; and
- (d) prepare a policy on the promotion of diversity and inclusion on the Board and in Senior Management and increase the gender balance of those in senior management and their direct reports.

#### 8.2. Succession planning

- (a) in the course of its work give full consideration to succession planning for Directors and Senior Management, based on merit and objective criteria and taking into account the challenges and opportunities facing the Company, the skills, experience, independence, knowledge and diversity needed on the Board in the future, the length of service of the Board as a whole and the need for its membership to be regularly refreshed;
- (b) satisfy itself that plans are in place for orderly succession for appointments to the Board and Senior Management; and
- (c) oversee the development of a diverse pipeline for succession, having regard to diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
- (d) review annually a talent map for the organisation to identify succession and development priorities

#### 8.3. Appointments to the Board

- (a) be responsible for identifying and nominating for the approval of the Board, candidates from diverse backgrounds to fill Board vacancies as and when they arise;
- (b) consider proposals for the reappointment or promotion of Directors and also any proposal for their dismissal, retirement, non-reappointment or any substantial change in their duties or responsibilities or the term of their appointment;
- (c) before appointment is made by the Board, evaluate the balance of skills, independence, knowledge, experience and diversity on the Board, and the future challenges affecting the Company, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and set the process to identify, sift and interview suitable candidates. In identifying suitable candidate the Committee shall:
  - (i) use such methods as it deems appropriate, including the use of open advertising or the services of external advisers to facilitate the search;
  - (ii) consider candidates from diverse backgrounds;
  - (iii) consider candidates on merit, against objective criteria and with due regard for promoting the benefits of diversity on the Board, including of gender, social and ethnic backgrounds, and cognitive and personal strengths, taking care that appointees have enough time available to devote to the position
- (d) for the appointment of the Chairman, prepare a job specification, including the time commitment expected;

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- (e) before appointment, require proposed appointees, including the Chairman, to disclose other significant commitments to the Board indicating the time involved;
- (f) 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, involvement outside Board meetings and the induction process; and
- (g) keep under review the number of external appointments held by each director.

### 8.4. Induction and training

- (a) ensure that all new Directors undertake an appropriate induction programme to ensure that they are fully informed about the Company's main areas of business activity, including those involving significant risk, and the strategic priorities and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director; and
- (b) consider any training requirements for the Board as a whole.

### 8.5. Conflicts of interest

- (a) before appointment of a Director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest;
- (b) consider and, if appropriate, authorise situational conflicts of interest of directors and potential directors;
- (c) keep under review potential conflicts of interests of Directors disclosed to the Company and develop appropriate processes for managing such conflicts if the Committee considers this to be necessary;

### 8.6. Board evaluation

- (a) review the results of the Board performance evaluation process that relate to the composition of the board, its diversity and how effectively the members of the Board work together to achieve objectives;
- (b) review the results of the performance evaluation of the Committee; and
- (c) review annually the time required from Non-Executive Directors, including the Chair and Senior Independent Director. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties.

## 9. Board Recommendations

The Committee shall make recommendations to the Board, as appropriate, on the following:

### 9.1. Nominations and succession planning

- (a) the appointment of any Director to Executive or other office other than to the positions of chair and chief executive, the recommendation for which is to be considered at a meeting of the full board;
- (b) the Chair of the Board, having assessed every three years whether the present incumbent shall continue in post, taking into account the need for continuity versus freshness of approach;
- (c) membership and Chairship of the Audit, Risk Management and Remuneration Committees, and any other Board Committees, as appropriate, in consultation with the Chair of those Committees;
- (d) formulating plans for succession for both Executive and Non-Executive Directors and in particular for the key roles of Chairman and Chief Executive; and
- (e) suitable candidates for the role of Senior Independent Director.

### 9.2. Re-appointment of Directors

- (a) 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 and the Company's long-term sustainable success, in light of the knowledge, skills and experience required and the length of service of the Board as a whole and its membership being regularly refreshed; and
- (b) re-election by Shareholders of Directors annually in accordance with Provision 18 of the Code or the retirement by rotation provisions in the articles of association, having regard to their performance and commitment to the role and their contribution to the Company's long-term sustainable success.

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### 9.3. Continuation of office

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.

### 10. Culture and workforce

The Committee shall assess and monitor the Company's culture. The committee shall ensure that diversity, succession and talent policies and practices within the Company are inline with the Company's purpose and values, and support the desired culture. It shall take an active role in helping the Board set diversity objectives and strategies for the Company and in monitoring the impact of diversity initiatives. It shall also take an active role in assessing leadership and in monitoring leadership and talent development programmes.

### 11. Reporting responsibilities

- 11.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Committee shall:
- (a) make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
  - (b) produce a report to be included in the Company's annual report including any matters required by the Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority and describing its work including:
    - (i) its activities, the membership of the Committee, number of meetings and attendance over the course of the year;
    - (ii) the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline;
    - (iii) identifying in the annual report any external search consultancy that has been engaged, together with a statement about any other connection it has with the Company or individual directors;
    - (iv) how the board evaluation has been conducted, the nature and extent of an external evaluator's contact with the board and individual directors, the outcomes and actions taken, and its influence on board composition; and
    - (v) identifying in the annual report any external evaluator together with a statement about any other connection it has with the Company or individual directors;
  - (c) include in the report referred to in 11.2(b) a description statement of the Board's policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives; and the gender balance of those in the senior management and their direct reports;
  - (d) ensure, through the chair of the board, that the Company maintains contact and the Committee chair seeks engagement, as required, with the Company's major shareholders on significant matters related to the Committee's areas of responsibility; and
  - (e) make publicly available the Committee's terms of reference by placing them on the Company's website.

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### 12. General matters

The Committee shall:

- 12.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required
- 12.2 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.
- 12.3 Give due consideration to laws and regulations, in particular, the directors' duties in the Companies Act 2006, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Rules, Prospectus Rules and Disclosure and Transparency Rules published by the Financial Conduct Authority and any other applicable rules, as appropriate.
- 12.4 Arrange for periodic reviews of its own performance and, at least annually, review its 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.

### 13. Authority

- 13.1 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 as it considers necessary.