

UK Infrastructure Bank Limited

(Company Number: 06816271)

Nominations Committee – Terms of Reference

1. The UK Corporate Governance Code (“the Code”)

1.1. The Code states that:

The Board should establish a Nomination Committee to oversee the process for appointments, ensure plans are in place for orderly succession to both the Board and senior management positions, and oversee the development of a diverse pipeline for succession.

2. Purpose and Objectives

2.1. The purpose of the Nominations Committee (the “Committee”) is to:

- a) Determine and agree with the Board the process used in relation to Executive Director appointments, and any other individual employees deemed appropriate by the Committee;
- b) Determine UKIB’s approach to succession planning, demonstrating, alongside appointment practices, how both seek to support developing a diverse pipeline;
- c) Review both internal and externally conducted Board evaluations, the outcomes and actions taken, and how they have or will influence Board composition;
- d) Approve the policy on diversity and inclusion, its objectives and linkage to UKIB strategy, how it has been implemented and progress on achieving the objectives; and
- e) Review the gender balance of those in the senior management and their direct reports.

3. Membership

- 3.1. The Committee shall comprise at least three members from the Non-Executive Directors to the Board, one of whom shall be the Shareholder Representative Director (as defined in the UKIB Board Terms of Reference). Members of the Committee shall be appointed by the Board and in consultation with the Committee Chair.
- 3.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as other Directors, the Chief Executive Officer, the Chief People Officer, the

Head of Reward, and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary and at the Committee Chair's discretion.

- 3.3. Appointments to the Committee are made by the Board and shall be for a fixed term of three years, which may be extended up to two further terms of three years. The Board reserves the right to vary Sub-committee membership as it sees fit, dependent upon the composition of the Board at any point in time.
- 3.4. The Board shall appoint the Committee Chair who will be the Chair of the Board (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 from those who would qualify under these terms of reference to be appointed to that position by the Board. The Board Chair shall not chair the Committee if it is dealing with any matters pertaining to the succession to the Board Chair.
- 3.5. The quorum necessary for the transaction of business shall be two.
- 3.6. Each member will disclose to the Committee:
 - a) any personal financial interest in any matter to be decided by the Committee;
 - b) any potential conflict of interest; and
 - c) any other matter which may compromise their status as a Non-Executive Director.
- 3.7. Any such member will abstain from voting on resolutions of the Committee in relation to which an interest or conflict exists and from participating in the discussions concerning such resolutions and, if so requested by the Board, will resign from the Committee.

4. Minutes of Meetings

- 4.1. The Governance Team will provide secretariat services to the Committee ensuring members receive information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 4.2. Meetings of the Committee shall be called by the secretariat at the request of the Committee Chair or any of the Committee members.
- 4.3. The HR team shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 4.4. Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and the Company Secretary unless, exceptionally, it would be inappropriate to do so.

5. Frequency, Notice, Quorum, Procedural Matters

- 5.1. The Committee shall meet at least twice a year and otherwise as required.
- 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 and any other person required to attend no later than five 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.
- 5.3. A minimum of two members is necessary for the transaction of the business of the Committee.
- 5.4. A duly convened meeting of the Committee is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 5.5. It is not necessary for all members of the Committee to be present in the same physical location, provided that each member can communicate with the others.
- 5.6. Decisions will be taken on a majority basis. In the case of equality of votes, the Committee Chair shall have the second, casting vote.

6. Duties

The Committee shall carry out the duties detailed below for UKIB, more specifically, the Committee shall:

- 6.1. Give full consideration to succession planning for Executive Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future.
- 6.2. Keep under review the executive leadership needs of UKIB, with a view to ensuring the continued ability of the organisation to function effectively.
- 6.3. Keep up to date and fully informed about governance, strategic issues and commercial changes affecting UKIB and the market in which it operates.
- 6.4. Require Executive and Non-Directors to report any business interests that could result in a conflict of interest.
- 6.5. Review the results of the Board performance evaluation process that relate to the composition of the Board.
- 6.6. Review annually the time required from Non-Executive Directors. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties.

- 6.7. Annually review the number and scale of other appointments it considers the Chair and other Non-Executive Directors may take on without compromising their effectiveness.
- 6.8. Approve the undertaking of additional external appointments that fall within the parameters set in 6.7.
- 6.9. Work and liaise as necessary with all other Board Committees.

The Committee shall also make recommendations to the Board concerning:

- 6.10. Formulating plans for succession for Executive Directors and other senior executives.
- 6.11. Membership of the Audit and Risk and Remuneration Committees, and any other Board Committees as appropriate, in consultation with the Chairs of those Committees.
- 6.12. Any matters relating to the continuation in office of any Executive Director at any time including the suspension or termination of service of an Executive Director as an employee of UKIB subject to the provisions of the law and their service contract.
- 6.13. The appointment of any Executive Director.

7. Reporting responsibilities

- 7.1. The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3. The Committee shall produce a report to be included in UKIB's Annual Report and Accounts about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the Annual Report and Accounts and a statement made as to whether it has any conflict of interest. .

8. Other Matters

The Committee shall:

- 8.1. Where relevant, act in accordance with article 88 of the company's Articles of Association and the remaining provisions of UKIB's constitution.

- 8.2. Have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
- 8.3. 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.
- 8.4. Give due consideration to laws and regulations, the provisions of the Code and any other applicable rules, as appropriate.
- 8.5. 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.

9. Authority

- 9.1. The Committee is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.
- 9.2. The Committee is a committee of the Board from which it derives its authority and to which it regularly reports.
- 9.3. The Committee has delegated authority from the Board in respect of its functions and responsibilities set out in these Terms of Reference.
- 9.4. The Committee may sub-delegate any or all its powers and authority as it sees fit, including, without limitation, the establishment of sub-committees to analyse issues and to report back to the Committee.
- 9.5. The Committee has authority to oversee any investigation of activities relating to UKIB which are within its Terms of Reference.
- 9.6. The Committee is authorised to seek any information it requires from any employee of UKIB in order to perform its duties or call any employee to be questioned at a meeting of the Committee as and when required.
- 9.7. The Committee Chair and the Company Secretary are authorised by the Board to review and approve any non-material change required to be made to the Committee's Terms of Reference. Any such change should be reported to the Board.

Approved by the Board: 23 March 2023

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