



LAND SECURITIES GROUP PLC

NOMINATION COMMITTEE

TERMS OF REFERENCE

Approved by the Board on

9 May 2017



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NOMINATION COMMITTEE - TERMS OF REFERENCE

Note: References to “the Committee” shall mean the Nomination Committee; references to “the Board” shall mean the Board of Directors; references to “the Company” shall mean Land Securities Group PLC; references to “the Group” shall mean the Company and its subsidiaries; and references to “the Directors” shall mean the Directors of the Company.

1. Purpose

The primary function of the Committee is to monitor the balance of skills, knowledge, experience, independence and diversity (including gender) of the Board and its Committees, and ensure that appropriate procedures are in place for the nomination, selection, training and evaluation of Directors and for succession plans of the Executive Directors and senior management.

2. Membership

- 2.1 The Committee is established as a Committee of the Board and shall consist of at least three Non-executive Directors, the majority of whom shall be independent Non-executive Directors. Members of the Committee shall be appointed by the Board in consultation with the Committee Chairman.
- 2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Group HR Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 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 their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship. In addition, other members of the Committee shall not participate in discussions relating to the succession to the chairmanship if they are under consideration as potential successors to the chairman. In such circumstances members of the Committee may nominate alternate members from among the independent Non-executive Directors in order to ensure that the Committee remains quorate.
- 2.4 Appointments to the Committee shall be for an initial period of up to three years extendable by no more than two additional three-year periods, provided the required majority of members being independent Non-executive Directors continues

3. Secretary

- 3.1 The Company Secretary, or their nominee, shall act as the Secretary of the Committee.

4. Proceedings

- 4.1 Meetings and proceedings of the Committee shall be governed by the provisions of the Articles of Association regulating the meetings and proceedings of the Board. The Committee shall meet at least twice a year and otherwise as required. Meetings of the Committee shall be convened by the Company Secretary at the request of the Committee Chairman.
- 4.2 Agendas and relevant papers shall be circulated to all members of the Committee and, in whole or in part as appropriate, to other invited attendees in good time in advance of each meeting.

5. Quorum

- 5.1. The quorum necessary for the transaction of business shall be two members. 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.

6. Minutes of Meetings

- 6.1. The Secretary shall minute the proceedings and decisions of all Committee meetings.
- 6.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board, unless (as determined by the Committee Chairman) it would be inappropriate to do so.

7. Annual General Meeting

- 7.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8. Responsibilities of the Committee

The Committee shall:

- 8.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board and its Committees and make recommendations to the Board with regard to any changes deemed necessary;
- 8.2 keep under review the leadership needs of the Company giving full consideration to succession planning for Directors and other senior executives, taking into account the challenges and opportunities facing the Company, and the skills and expertise required to ensure the long-term success of the organisation;
- 8.3 before an appointment is made by the Board, evaluate the balance of skills, knowledge and experience, diversity and independence on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
 - 8.3.1 consider internal candidates who may be suitable for promotion to the Board in an executive capacity;
 - 8.3.2 where appropriate, use open advertising or the services of external advisers to facilitate the search;
 - 8.3.3 consider candidates from a wide range of backgrounds; and

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- 8.3.4 consider candidates on merit and against objective criteria (including time availability) and with due regard for the benefits of diversity, including gender;
- 8.4 following a formal, rigorous and transparent procedure, be responsible for identifying and nominating for the approval of the Board, candidates to serve as Directors as and when they arise. All recommendations of the Committee in respect of appointment of such positions shall only take effect when approved by the Board;
- 8.5 keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 8.6 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;
- 8.7 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;
- 8.8 keep under review potential and declared 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; and
- 8.9 assume responsibility for monitoring developments in corporate governance going forward, particularly with respect to governance material published by governmental bodies, institutions and investor bodies.

The Committee shall also make recommendations to the Board concerning:

- 8.10 formulating plans for succession for both Executive and Non-executive Directors and in particular for the key roles of Chairman and Chief Executive;
- 8.11 suitable candidates for the role of senior independent director;
- 8.12 membership of the Audit and Remuneration Committees, in consultation with the chairmen of those committees;
- 8.13 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 the light of the knowledge, skills and experience required;
- 8.14 the re-election by shareholders of any Director under the annual re-election provisions of the UK Corporate Governance Code ("the Code") and the Company's Articles of Association having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 8.15 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; and
- 8.16 the appointment of any Executive Director to external offices and to keep under review the

number of external directorships held by Non-executive Directors.

9. Reporting Responsibilities

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where it considers action or improvement is needed.
- 9.3 The Committee shall compile a report to shareholders, for approval by the Board, on its activities to be included in the Company's Annual Report and Accounts. The report shall include:
 - 9.3.1 a statement about its activities, the process used to make appointments and an explanation if external advice or open advertising has not been used. Where an external search agency has been used, the statement will confirm whether or not that agency has any connection with the Company;
 - 9.3.2 a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress made in achieving such objectives; and
 - 9.3.3 all other disclosure information requirements in accordance with regulations and with the Code.

10. Other matters

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required
- 10.2 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;
- 10.3 give due consideration to laws, regulations and institutional investor guidelines including, but not limited to, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and guidelines, as appropriate;
- 10.4 on at least a bi-annual basis, review and, if necessary, update its own Terms of Reference requesting Board approval for all proposed changes; and
- 10.5 on an annual basis, review its membership, evaluate its own performance against its Terms of Reference and best practice, using external advisers where appropriate, to ensure it is operating at maximum effectiveness. Report the results of this review to the Board and recommend any changes it considers necessary.

11 Authority

The Committee is authorised by the Board in the performance of its duties to:

- 11.1 investigate any activity within its Terms of Reference;

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- 11.2 seek any information that it requires from any employee (and all employees are directed to co-operate with any request made by the Committee);
- 11.3 obtain outside legal or other independent professional advice at the Company's expense as necessary;
- 11.4 secure the attendance of employees or external advisers at its meetings if it considers this appropriate; and
- 11.5 delegate any of its powers to one or more of its members or the Secretary.