

**CMC Markets plc**  
("the Company")

**NOMINATION COMMITTEE**  
("the Committee")

**TERMS OF REFERENCE**

**1. Constitution**

1.1 The Committee is established by the Board of Directors and has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.

**2. Membership**

2.1 The Committee shall comprise of at least three directors. A majority of Committee members shall be independent non-executive directors.

2.2 Appointments to the Committee are made by the Board on the recommendation of the Nomination Committee and shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided that the majority of the Committee remains independent.

2.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate.

2.4 The Board shall appoint the Committee Chair who should be either the Chair of the Board or another independent non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present at a meeting 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 Chair of the Board shall not chair the Committee when it is dealing with the matter of his or her succession.

**3. Secretary**

3.1 The Company Secretary, or his or her nominee, shall act as the Secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

**4. Quorum**

4.1 The quorum necessary for the transaction of business shall be two.

**5. Frequency of Meetings**

5.1 The Committee shall meet at least twice a year and additionally as and when required.

**6. Notice of Meetings**

6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any of its members.

6.2 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.

## **7. Minutes of Meetings**

7.1 The Secretary shall minute proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.

7.2 Minutes of Committee meetings shall be agreed with the Committee Chair and circulated to all members of the Committee.

7.3 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

## **8. Engagement with Shareholders**

8.1 The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **9. Duties**

9.1 The Committee shall carry out the following duties for the Company and its subsidiaries, including CMC Markets UK plc, (the "Group") as appropriate:

### **Composition of the Board and Senior Management**

9.1.1 Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and make recommendations to the board with regard to any changes.

9.1.2 Keep under review the leadership needs of the organisation, both executive (including senior management) and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

### **Succession Planning**

9.1.3 Ensure plans are in place for orderly and emergency succession to board and senior management positions and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the company, and the skills and expertise needed in the future.

9.1.4 Make recommendations to the Board regarding any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been or might not be achieved.

9.1.5 Make recommendations to the Board regarding suitable candidates as new directors and succession for existing directors.

### **Appointments to the Board**

9.1.6 Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise.

9.1.7 Before any appointment is made by the Board, evaluate the balance of skills, knowledge and diversity on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In assisting to identify suitable candidates the Committee shall:

9.1.7.1 use any one or more considerations of a) open advertising b) the services of external search consultancy or c) introductions from others including from the Board of Directors, to facilitate the search;

9.1.7.2 consider candidates from a wide range of backgrounds; and

9.1.7.3 consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the board and taking care that appointees have enough time available to devote to the position.

9.1.8 Prior to the appointment of a director, require proposed appointees to disclose other significant commitments to the Board indicating the time involved. Any changes to those commitments should be reported to the Board as they arise with prior approval sought from the Chair.

9.1.9 Ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment that has been approved by the Committee and sets out clearly what is expected in terms of time commitment, committee service and involvement outside Board meetings.

### **Conflicts of Interest**

9.1.10 Prior to appointment, require proposed appointees 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.

### **Board Evaluation**

9.1.11 Agree the process for the annual board performance evaluation.

9.1.12 Review the results of the annual board performance evaluation process and report on the conclusions and recommendations to the Board.

9.1.13 Agree an action plan addressing the results of the board evaluation and monitor performance on a regular basis against the agreed plan.

9.1.14 Review annually the time required from the non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.

9.1.15 Work and liaise as necessary with all other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

### **People Strategy**

9.1.16 Review and make recommendations to the Board on the overall People Strategy for the Group, having due regard for the Group's environment, social and governance initiatives including:

9.1.16.1 Talent Management: review the Group's current and proposed initiatives regarding developing talent across the business and receive reports from HR on the Group's talent management programme;

9.1.16.2 Diversity and Inclusion: review the Group's current and proposed initiatives and policies regarding diversity and inclusion and consider the diversity and inclusiveness of the Board, its committees, senior management and the business as a whole; and

9.1.16.3 Workforce Engagement: review the framework and programme of engagement between the Board and the wider workforce on at least an annual basis to ensure that it remains effective. This will include reviewing the mechanism for engaging with the workforce as set out under the UK Corporate Governance Code and reviewing the outputs of all employee engagement surveys and resultant management actions.

## **10. Board Recommendations**

10.1 The Committee shall also make recommendations to the Board concerning:

10.1.1 Membership of the Group Audit Committee, Group Risk Committee, Remuneration Committee and any other Board committee as appropriate, in consultation with the respective Committee Chair;

10.1.2 The re-appointment of non-executive directors at the conclusion of their specified term of office having given due regard to their performance and ability, and why their contribution is important to the Company's long-term sustainable success in light of the skills, experience and knowledge required;

10.1.3 The re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code or the retirement by rotation provisions in the Company's Articles of Association, having due regard to their performance and ability, and why their contribution is important to the Company's long-term sustainable success in the light of the skills, experience and knowledge required;

10.1.4 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 Group subject to the provisions of the law and their service contract;

10.1.5 Compliance with the terms of the Relationship Agreement with the Group's Principal Shareholders; and

10.1.6 The appointment of any director to executive or other office including the role of senior independent director.

## **11. Reporting Responsibilities**

11.1 The Committee Chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.

11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed and adequate time should be made available for board discussion when necessary.

11.3 The Committee shall produce a report to be included in the Company's annual report describing the work of the Nomination Committee including:

11.3.1 details of the membership of the Committee, number of meetings held and attendance over the course of the year;

11.3.2 the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline. Where an external search consultancy has been used, it shall be identified in the annual report alongside a statement about any other connection it has with the Company or individual directors;

11.3.3 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 how it has or will influence board composition;

11.3.4 the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives; and

11.3.5 the gender balance of those in the senior management team and their direct reports.

## **12. Other**

The Committee shall:

12.1 Have access to sufficient resources in order to carry out its duties, including access to the Corporate Secretariat, 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 on-going basis for all members.

12.3 Give due consideration to all applicable laws and regulations, in particular the directors duties contained in the Companies Act 2006, the provisions of the UK Corporate Governance Code and the requirements of the FCA's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules as appropriate.

12.4 Ensure that a periodic evaluation of the Committee's own performance is carried out.

12.5 At least annually, review the Committee's 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**

The Committee is authorised by the Board to:

13.1 Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate professional advice on any matter within its terms of reference as it considers necessary.

13.2 Seek any information it requires from any Group employee, contractor consultant or other provider of services to the Group to enable it to perform its duties.

13.3 Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.

13.4 Have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.

13.5 Commission, at the Company's expense, any reports or surveys which it deems necessary to help it fulfil its obligations.

**Adopted at the Board meeting of the Company on 24 January 2022.**

**Reviewed by the Nomination Committee on 19 January 2023.**