

## **PROVEN VCT PLC (the “Company”)**

### **TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE (the “Committee”)**

#### **Membership**

1. Members of the Committee shall be appointed by the Board and shall be made up of least 2 members, the majority of whom should be independent non-executive Directors.
2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
3. Appointments to the Committee shall be for a period of up to three years, which may be extended for further three-year periods provided that the majority of the Committee members remain independent.
4. 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, 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.

#### **Secretary**

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

#### **Quorum**

The quorum necessary for the transaction of business shall be 2. 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.

#### **Frequency of Meetings**

The Committee shall meet such times as the Chairman of the Committee shall require.

#### **Notice of Meetings**

1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.
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, no later than 5 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.

#### **Minutes of Meetings**

1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

#### **Annual General Meeting**

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

## **Duties**

The Committee shall:

1. regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
2. give full consideration to succession planning for Directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
3. be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
4. before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience 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:
  - a) consider candidates from a wide range of backgrounds; and
  - b) consider candidates on merit and against objective criteria, and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.
5. 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.

The Committee shall also make recommendations to the Board concerning:

1. suitable candidates for the role of senior independent Director;
2. membership of the Audit and Remuneration Committees, in consultation with the chairmen of those committees;
3. 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 in the light of the knowledge, skills and experience required;
4. the re-election by shareholders of any Director under the 'retirement by rotation' provisions in 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;
5. any matters relating to the continuation in office of any Director at any time subject to the provisions of the law and their service contract.

## **Reporting Responsibilities**

1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
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.
3. The Committee shall make a statement in the annual report about its activities, the process used to make appointments and a description of the Board's diversity policy.

**Authority**

1. The Committee is authorised to seek any information it requires from any employee of the Investment Manager or Administration Manager in order to perform its duties.
2. 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.