

THE GO-AHEAD GROUP PLC (the “Company”)

NOMINATION COMMITTEE TERMS OF REFERENCE

Adopted by Resolution of the Board on 19 April 2018

1. Constitution

The Board has resolved to establish a Committee of the Board to be known as the Nomination Committee.

2. Role

The role of the Committee is to:

- 2.1 Ensure that there is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board;
- 2.2 Lead the process for Board appointments and make recommendations to the Board; and
- 2.3 Assist the Board in ensuring its composition is regularly reviewed and refreshed so that it is effective and able to operate in the best interests of shareholders, and in doing so, the Committee shall work and liaise with the Audit and Remuneration Committees as appropriate.

3. Membership

- 3.1 The Committee shall comprise of the Non-Executive Directors, with the majority of members being the independent Non-Executive Directors. This will be reviewed for individual appointments.
- 3.2 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 a period of up to three years, which may be extended for further periods up to three years, provided the Director still meets the criteria for membership of the Committee.
- 3.3 The Board shall appoint the Chairman of the Committee, who will normally be the Chairman of the Board or an independent Non-Executive Director, and determine the period for which he/she shall hold office. In the absence of the Chairman of the Committee 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 will not Chair the Committee when it is dealing with the appointment of a successor to the Board chairmanship.
- 3.4 The Chairman of the Committee shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.

- 3.5 The Company Secretary or his or her nominee shall act as the Secretary of the Committee and will provide all necessary support to the Committee including the recording of Committee minutes.

4. Meetings and Related Matters

- 4.1 The Committee shall meet formally at least once a year close to the year end and at such other times as required to carry out its duties.
- 4.2 A meeting of the Committee may be called by any member of the Committee or by the Company Secretary.
- 4.3 The quorum necessary for the transaction of business by the Committee shall be two members present in person or by audio or video conference.
- 4.4 Other individuals may be invited to attend for all or part of any meeting as appropriate.
- 4.5 No member of the Committee shall participate in the discussion of his/her own position.
- 4.6 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and appropriate disclosures, shall be forwarded to each member of the Committee or any person invited to attend, approximately one week before the date of the meeting.
- 4.7 The Company Secretary shall minute the proceedings and resolutions of all meetings, in addition to ascertaining the existence of any conflicts of interest.
- 4.8 Minutes of all meetings of the Committee, once agreed, will be circulated to all members of the Committee and Board, unless a conflict of interest exists.
- 4.9 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.

5. Voting Arrangements

- 5.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee (whether in person or by audio or video conference).
- 5.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 5.3 Except where he has a personal interest, the Chairman of the Committee shall have a casting vote.

- 5.4 The Chairman of the Committee may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

6. Duties

The Committee shall carry out the following duties for the Company.

6.1 Composition of the Board

The Committee shall:

- 6.1.1 Regularly review the structure, size and composition (including the skills, experience, independence, knowledge and diversity) of the Board and make recommendations to the Board with regard to any changes that are deemed necessary;
- 6.1.2 Keep under review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 6.1.3 Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates; and
- 6.1.4 Set measurable objectives for Board diversity and prepare a policy on Board diversity.

6.2 Succession planning

The Committee shall:

- 6.2.1 Give full consideration to succession planning for Executive and Non-Executive Directors and other Senior Management in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills, experience, independence, knowledge and diversity needed on the Board in the future; and
- 6.2.2 Satisfy itself that plans are in place for orderly succession for appointments to the Board and Senior Management.

6.3 Appointments to the Board

The Committee shall:

- 6.3.1 Be responsible for identifying and nominating for the approval of the Board, candidates from a wide range of backgrounds to fill Board vacancies as and when they arise;
- 6.3.2 Consider proposals for the re-appointment or promotion of Directors and also any proposal for their dismissal, retirement, non re-appointment or any substantial change in their duties or responsibilities or the term of their appointment;

- 6.3.3 Before any appointment is made by the Board, evaluate the balance of skills, independence and knowledge, experience and diversity strengths 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:
- (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 a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender and taking care that appointees have enough time available to devote to the position;
- 6.3.4 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;
- 6.3.5 Ensure that all new Directors undertake an appropriate induction programme;
- 6.3.6 For the appointment of a Chairman to the Board, prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises. The Chairman's other significant commitments should be disclosed to the Board before appointment and included in the annual report. Changes to such commitments should be reported to the Board as they arise, and their impact explained in the next annual report;
- 6.3.7 Ensure that all Directors offer themselves for annual re-election in accordance with the UK Corporate Governance Code (Provision B.7.1) having regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for the progressive refreshing of the Board (particularly in relation to Directors being re-elected for a term beyond six years); and
- 6.3.8 Keep under review the number of external directorships held by each Director.
- 6.3.9 Review annually the time required from Non-Executive Directors and use performance evaluation to assess whether the Non-Executive Directors are spending enough time to fulfil their duties;
- 6.3.10 Assist with the annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its Committees, including consideration of balance of skills,

experience, independence and knowledge of the Company, its diversity, including gender, how the Board works together as a unit, and other factors relevant to the Board's effectiveness

- 6.3.11 Review the results of the Board performance evaluation process that relate to the composition of the Board;
- 6.3.12 Ensure the evaluation of the Board is externally facilitated at least every three years; and
- 6.3.13 Review the results of the performance evaluation of the Committee.

6.4 Conflicts of interest

The Committee shall, 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;

7. Board Recommendations

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

7.1 Nominations and succession planning

The Committee shall make recommendations to the Board on:

- 7.1.1 The appointment of any Director to executive or other office;
- 7.1.2 The Chairman 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;
- 7.1.3 Suitable candidates for the role of Senior Independent Director;
- 7.1.4 Membership and Chairmanship of the Audit and Remuneration Committees, in consultation with the Chairmen of those Committees; and
- 7.1.5 Formulating succession plans for both Executive and Non-Executive Directors and in particular for the key roles of Chairman and the Group Chief Executive.

7.2 Re-appointment of Directors

The Committee shall make recommendations to the Board on:

- 7.2.1 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; and

- 7.2.2 Re-election by shareholders in accordance with the UK Corporate Governance Code (Provision B.7.1), having regard to their performance and commitment to the role (particularly in relation to the Non-Executive Directors being re-elected for a time beyond six years).

7.3 Continuation of office

The Committee shall make recommendations to the Board on 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.

8. Reporting Responsibilities

- 8.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.2 The Committee shall make a statement to shareholders in the annual report concerning 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 a statement as to whether it has any connection with the Company. The statement should include a description of the Board's policy on diversity, including gender, any measurable objectives it has set for implementing the policy, and progress on achieving the objectives.
- 8.3 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to shareholder questions on the Committee's activities.
- 8.4 The Committee shall make available its terms of reference to any shareholder on request and on the Company's website.

9. General Matters

- 9.1 The Committee shall have access to sufficient resources to carry out its duties, including access to the Company Secretary for assistance as required.
- 9.2 The Committee shall 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. Individual training to be discussed and agreed with the Company Secretary.
- 9.3 In carrying out its duties, the Committee shall give due consideration to all relevant 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 UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate.

9.4 The Committee shall 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.

9.5 The Committee shall undertake such other matters as may be delegated to it by the Board from time to time.

10. **Authority**

The Board authorises the Committee to:

10.1 Carry out the 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 term of reference, as it considers necessary.

10.2 Seek any information it requires from any employee or Director of the Company, and all such employees or Directors will be directed to co-operate with any request made by the Committee.

10.3 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.