



**RHI MAGNESITA N.V.**

**(the “Company”)**

**Terms of Reference: Nomination Committee**

as adopted by the Board of the Company on 26 November 2019

References to the “**Committee**” shall mean the Nomination Committee

References to the “**Board**” shall mean the board of Directors of the Company

References to the “**Group**” shall mean the Company together with its group companies.

References to the “**Dutch Code**” shall mean the Dutch Corporate Governance Code, as amended.

References to the “**UK Code**” shall mean the UK Corporate Governance Code, as amended.

**1 Membership**

- 1.1** The Committee shall comprise at least three members. A majority of the members of the Committee shall be Non-Executive Directors who meet the independence requirements of the Dutch Code and the UK Code.
- 1.2** Members of the Committee shall be appointed by the Board, on the recommendation of the Committee in consultation with the chairman of the Committee.
- 1.3** The Board shall appoint the Committee chairman who should be either the chairman of the Company or a Non-Executive Director who meets the independence requirements of the Dutch Code and the UK Code. 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 Company shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
- 1.4** Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the CEO, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

**2 Secretary**

The Company Secretary or his or her nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner and of a quality to enable full and proper consideration to be given to the issues.

**3 Quorum**

- 3.1** The quorum necessary for the transaction of business shall be two members of the Committee both of whom must be independent Non-Executive Directors.
- 3.2** A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise any or all of the authorities, powers and discretions vested in or exercisable by the Committee.

**4 Frequency of Meetings**

- 4.1** The Committee shall meet at least twice a year and otherwise as required.



## **5 Notice of Meetings**

- 5.1** Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairman.
- 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, any other person required to attend and all other Non-Executive Directors (unless it would be inappropriate to do so), 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.

## **6 Minutes of Meetings**

- 6.1** The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2** Draft minutes of Committee meetings shall be circulated promptly to the chairman of the Committee and, where relevant, the chairman of the meeting. Once approved by them, minutes should be circulated to all other members of the Committee and to other members of the Board unless it would be inappropriate to do so in the opinion of the Committee chairman.

## **7 Annual General Meeting**

The Committee chairman should attend the Annual General Meeting of the Company to answer any questions raised by the shareholders of the Company on the Committee's activities.

## **8 Duties**

- 8.1** The Committee shall carry out the duties below:
- 8.1.1** regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Committees and make recommendations to the Board with regard to any changes. Consideration should be given to the length of service of the Board as a whole, and how best its membership can be regularly refreshed;
  - 8.1.2** give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Group, and the skills and expertise likely to be needed on the Board in the future and ensuring a diverse pipeline of talent for succession to senior leadership;
  - 8.1.3** keep under review the leadership needs of the organisation, both Executive Directors and Non-Executive Directors, with a view to ensuring the continued ability of the Company to meet its strategic goals and respond appropriately to the evolution of the external environment in which it operates;
  - 8.1.4** before embarking on any recruitment process for a Director, evaluate the balance of skills, knowledge, experience 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 identifying suitable candidates, the Committee shall:
    - (i) use 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, taking care that appointees have enough time available to devote to the position;
  - 8.1.5 be responsible for identifying and nominating (in the case of the Company, for the Board to recommend to the shareholders of the Company for appointment) candidates to fill Board vacancies as and when they arise;
  - 8.1.6 for the appointment of a chairman of the Company the Committee should prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the chairman's commitments should be reported to the Board as they arise;
  - 8.1.7 prior to the appointment of a Director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
  - 8.1.8 ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them including an estimated time commitment, anticipated service on any Board Committee and involvement outside Board meetings;
  - 8.1.9 review the results of the Board performance evaluation process that relate to the composition of the Board or the effectiveness of any individual Director;
  - 8.1.10 review annually the time commitment 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; and
  - 8.1.11 work and liaise as necessary with all other Board committees.
- 8.2** The Committee shall also make recommendations to the Board concerning:
- 8.2.1 formulating plans for succession which promote diversity for both Executive Directors and Non-Executive Directors and in particular for the key roles of chairman and CEO;
  - 8.2.2 suitable candidates for the role of Senior Independent Director;
  - 8.2.3 membership or chairmanship of the audit, remuneration, corporate sustainability and nomination committees and any other Board committees as appropriate, in consultation with the chairman of the relevant committee;
  - 8.2.4 the recommendation of any Non-Executive Director for re-election 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;
  - 8.2.5 the re-appointment by shareholders of Directors under the annual re-election provisions of the UK Code and Dutch Code, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills, length of service and experience required and the need for progressive refreshing of the Board (particularly in relation to Directors being re-appointed for a term beyond the sixth year of their appointment);
  - 8.2.6 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



8.2.7 the appointment of any Director to executive or other office.

## **9 Reporting Responsibilities**

- 9.1** The Committee chairman shall report to the Board on its proceedings after each meeting on all material matters considered by the Committee.
- 9.2** The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3** The Committee shall produce a report to be included in the Company's annual report about its activities which should include:
- 9.3.1** the process used to make any appointments during the year, an overview of the approach to succession planning, and how both support developing a diverse pipeline;
  - 9.3.2** explaining if external advice or open advertising has not been used in appointments. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company.
  - 9.3.3** if not covered elsewhere in the Annual Report, a description of 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;
  - 9.3.4** a description of 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
  - 9.3.5** a description of the gender balance of those in senior management and their direct reports.

## **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 secretariat 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 and regulations, including the general duties of directors set out in Dutch Civil Code, the provisions of the UK Code and Dutch Code, and the requirements of the UK Listing Authority's Listing Rules, Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate; and
- 10.4** arrange for periodic reviews of its own performance and effectiveness and, at least annually, review its constitution and terms of reference and recommend any changes it considers necessary to the Board for approval.

## **11 Authority**

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.



<b>Approvals History Date</b>	<b>Version</b>	<b>Approved By</b>	<b>Details</b>
12 October 2017	1.0	The Board of Directors	On constitution of the Committee
26 November 2019	2.0	The Board of Directors	Annual review