



**UDG Healthcare plc
Nominations & Governance Committee
Terms of reference**

1. Membership

- 1.1 Members of the Committee shall be appointed by the Board. The Board shall also be responsible for setting the term of members' appointments and for the revocation of any such appointment. The Committee shall be made up of at least three members, the majority of whom shall be independent non-executive directors.
- 1.2 Members of the Committee, in addition to any other Non-Executive Directors whose request to attend has been approved in advance, shall have the right to attend Committee meetings. Other individuals such as the Chief Executive, the Head of Human Resources and external advisors may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3 All Directors shall have the right to discuss any matter of relevance with the Chairman.
- 1.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods.
- 1.5 The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director.

2. Secretary

- 2.1 The Company Secretary, or such other person as the Committee shall consider appropriate, shall be Secretary of the Committee.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two independent non-executive directors. 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. All or any members of the Committee may participate in a meeting by teleconference or videoconference. A person so participating is deemed to be present in person at the meeting and shall be counted in quorum accordingly.

4. Meetings

- 4.1. The Committee shall meet at least once a year and additionally as required.
- 4.2 In the absence of the Committee Chairman the remaining members present shall elect one of themselves to chair the meeting.
- 4.3 The Chairman of the Board should not chair a meeting when it is dealing with the matter of succession to the chairmanship.

- 4.4 All materials relevant to any Committee meeting shall be made available to all Directors and the availability of materials shall be communicated in advance to all Directors in the appropriate manner in each case, subject to any exceptions as may be deemed appropriate by the Chairman.
- 4.5 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

5. Annual General Meeting

- 5.1 The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder queries regarding the Committee's activities.

6. Duties

Nominations Duties

- 6.1 Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board compared to its current position and make recommendations to the Board with regard to any changes.
- 6.2 Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- 6.3 Before making an appointment, 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, if required;
 - (ii) consider candidates from a wide range of backgrounds and skills as considered appropriate; and
 - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position.
- 6.4 Prepare a job specification for the appointment of a chairman, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any subsequent changes reported as they arise.
- 6.5 Require any proposed Director to disclose other business interests that may result in a conflict of interest or compromise their ability to devote sufficient time to the Company / their duties, prior to their appointment and require that all Directors consult with the Board Chairman before committing to any other business commitment that could result in conflicts of interest or time constraints.
- 6.6 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.
- 6.7 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.
- 6.8 Ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.
- 6.9 The Committee shall also make recommendations to the Board concerning:
 - 6.9.1 plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;

- 6.9.2 suitable candidates for the role of Senior Independent Director;
- 6.9.3 membership of the Audit, Remuneration and other Board Committees, in consultation with the Chairmen of those Committees;
- 6.9.4 the appointment of the Company Secretary
- 6.9.5 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;
- 6.9.6 the retirement age for Directors and its application;
- 6.9.7 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;
- 6.9.8 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
- 6.9.9 the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full Board.

Corporate Governance Duties

- 6.10. The remit of the Committee in relation to Corporate Governance is as follows:
 - 6.10.1 to monitor the Company's compliance with corporate governance best practice and with applicable legal, regulatory and listing requirements (including but not limited to the Companies Acts, the UK Listing Authority's Listing Rules and the UK Corporate Governance Code) and to recommend to the Board such changes or additional action as the Committee deems necessary;
 - 6.10.2 to advise the Board periodically of significant developments in the law and practice of corporate governance; and
 - 6.10.3 to oversee the conduct of the annual evaluation of Board, Committee and individual Director performance.

7. Reporting Responsibilities

- 7.1. The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3. A separate section of the annual report should describe the work of the Committee in discharging its responsibilities.

8. Other Matters

The Committee shall:

- 8.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance if required;
- 8.2 review its terms of reference and its own effectiveness on an annual basis; and
- 8.3 undertake other related duties as agreed with the Board.

9. Authority

The Committee is authorised to:

- 9.1 investigate any activity within its terms of reference;
- 9.2 obtain, at the Group's expense, independent legal or other professional advice when the Committee believes it necessary to do so;
- 9.3 obtain appropriate and timely training, both in the form of an induction programme for new Committee members and on an ongoing basis for all members;
- 9.4 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules; and
- 9.5 seek any information that it requires from any employee of the Group in order to perform its duties.