



Kainos Group plc Nomination Committee Terms of Reference

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1. Definitions

In these terms of reference:

"Board" means the board of directors of the Company;

"Committee" means the nomination committee of the Board; and

"Group" means the Company and its subsidiary undertakings from time to time.

2. Introduction

2.1 The primary purpose of the Committee is to lead the process for Board appointments and to make recommendations to the Board to achieve the optimal composition of the Board having regard to:

2.1.1 Its size and composition;

2.1.2 The extent to which required skills, experience or attributes are represented;

2.1.3 The need to maintain the highest standard of corporate governance; and

2.1.4 Ensuring that it consists of individuals who are best able to discharge the responsibilities of directors.

3. Membership

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

3.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals (such as the CEO, the head of the People Team and external advisers) may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

3.3 Appointments to the Committee shall be made by the Board on the recommendation of the Nominations 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 the director still meets the criteria for membership of the Committee.

3.4 The Board shall appoint the Committee chair, who shall be either the chair of the Board or an independent non-executive director. In the absence of the chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of their number 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 succession to the chair of the Board.

4. Secretary

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

5. Quorum

The quorum necessary for the transaction of business shall be two Committee members, both of whom must be 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.

6. Frequency of meetings

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

7. Notice of meetings

- 7.1 Meetings of the Committee shall be called by the Company secretary of the Committee at the request of the Committee chair or any of its members and may be conducted when the members are physically present, or in the form of either video or audio conferences.
- 7.2 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 or invited to attend and all other non-executive directors 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. Papers required by the Committee may be provided electronically.

8. Minutes of meetings

- 8.1 The Company secretary shall minute the proceedings and decisions of all Committee meetings, including the names of those present and in attendance.
- 8.2 The Company secretary shall ascertain, at the beginning of each Committee meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3 Draft minutes of meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board, unless a conflict of interest exists or, in the opinion of the chairman of the Committee, it would otherwise be inappropriate to do so.

9. AGM & Engagement with Shareholders

The Committee chair shall attend the annual general meeting and shall be prepared 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.

10. Duties

- 10.1 The Committee shall carry out the duties below for the Company, parent company, major subsidiary undertakings and the Group as a whole, as appropriate.

The Committee shall:

- 10.1.1 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;
- 10.1.2 Ensure that plans are in place for orderly succession to the Board and other senior executives 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 on the Board (and within the Group) in the future;
- 10.1.3 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 market place;
- 10.1.4 Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 10.1.5 Be responsible for identifying, and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 10.1.6 Before any appointment is made by the Board, 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:
 - 10.1.6.1 Use open advertising or the services of external advisers to facilitate the search;
 - 10.1.6.2 Consider candidates from a wide range of backgrounds; and
 - 10.1.6.3 Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board and, taking care that appointees have enough time available to devote to the position.
- 10.1.7 For the appointment of a chair of the Board, 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 and disclosed in the next annual report;
- 10.1.8 Prior to the appointment of a director, other significant time commitments should be disclosed, and any additional future

commitments should not be undertaken without prior approval of the Board. The proposed appointee should also be required 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;

10.1.9 Review each director's conflicts authorisations annually to check it is appropriate for the relevant matters to remain authorised and make recommendations to the Board accordingly;

10.1.10 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, service on committees and involvement outside Board meetings;

10.1.11 Review the results of the Board performance evaluation process that relate to the composition of the Board;

10.1.12 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; and

10.1.13 Work and liaise as necessary with all other Board committees.

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

10.2.1 Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved;

10.2.2 Suitable candidates as new directors and succession for existing executive and non-executive directors and, in particular, for the key roles of chair of the Board and CEO (but see paragraph 10.2.7);

10.2.3 Suitable candidates for the role of senior independent director;

10.2.4 Membership of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the chairs of those committees;

10.2.5 The re-appointment of any non-executive director at the conclusion of his/her specified term of office, having given due regard to his/her performance and ability to continue to contribute to the Board in the light of the skills, knowledge and experience required;

10.2.6 The re-election by shareholders of any director under the annual re-election provisions of the Code or "retirement by rotation" provisions in the Company's articles of association, having given due regard to his/her performance and ability and why their contribution is important to the Company's long term sustainable success in the light of the skills, knowledge and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years) taking into account the length of

service of individual directors, the chair of the Board and the Board as a whole;

10.2.7 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 any relevant legal requirements and his/her service contract); and

10.2.8 The appointment of any director to executive or other office (other than to the positions of chair of the Board and CEO, the recommendations for which would be considered at a meeting of the Board).

10.3 In carrying out his/her specific duties set out above, each member of the Committee should also consider his/her general duties as a director of the Company, including:

10.3.1 His/her duty to act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to all relevant factors;

10.3.2 His/her duty to exercise independent judgement;

10.3.3 His/her duty to exercise reasonable care, diligence and skill;

10.3.4 His/her duty to avoid conflicts of interest; and

10.3.5 His/her duty to act in accordance with the Company's constitution and only exercise his/her powers for the purposes for which they were conferred.

11. Reporting responsibilities

11.1 The Committee chair shall report to the Board after each meeting on the nature and content of its discussions, 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 Committee, including:

11.3.1 the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline;

11.3.2 how 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 influenced board compositions;

11.3.3 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

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

11.4 If an external search consultancy has been engaged, it should be identified in the annual report alongside a statement about any other connection it has with the Company or individual directors.

12. Other matters

The Committee shall:

12.1 Have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required;

12.2 Be provided with appropriate and timely training, both in the form of an introduction program for new members and on an ongoing basis for all members;

12.3 Give due consideration to laws and regulations, the provisions of the Code and the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook 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 terms of reference to ensure it is operating at maximum effectiveness, and recommend any changes it considers necessary to the Board for approval; and

12.6 Ensure that these terms of reference are made available by placing them on the Company's website.

13. 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 in terms of reference.