

Nomination Committee

The Nomination Committee is chaired by Lena Wilson. The other members of the Committee are Mark Batten, Maria Bentley and Richard Jones.

The role of the Committee is to consider the size, structure and composition of the Board to ensure that it has the right balance of skills, knowledge, experience and diversity to carry out its duties and provide effective leadership. In making any new appointment the Committee will consider many factors, including the skills and experience that will be relevant to any specific role and that will complement the existing Board members. The Committee will also seek to continuously improve the diversity of the Board including gender, ethnicity, age and socio-economic background.

It is also the Committee's role to consider succession planning for the Board and for the Executive team, and to lead on the appointment process, ensuring that this is formal, rigorous and transparent.

The Committee makes recommendations to the Board regarding the composition of the Remuneration, Audit and Risk, Nomination and Property Valuation Committees, taking into account individuals' time commitments and experience.



Terms of reference

The Committee's terms of reference include consideration of the following issues:

- Review and make recommendations regarding the size and composition of the Board;
- Consider and make recommendations regarding succession planning for the Board and senior management;
- Identify and nominate candidates to fill Board vacancies as they arise;
- Review the results of the Board evaluation relating to composition;
- Review the time requirements for Directors; and
- Recommend the membership of Board Committees.

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Activity

The Committee met twice during the year ended 31 March 2023 and considered the following matters:

- The performance and constitution of the Committee;
- The time commitment required from Non-Executive Directors;
- The changes to the Listing Rules in respect of diversity targets;
- The external Board evaluation for the current year and the recommendations arising from it; and
- Succession planning for the Executive Directors.

Board evaluation

In accordance with the requirements of the Code, the Board undertakes a review of the effectiveness of its performance and that of its Committees every year. An external review is normally carried out every three years, with internal reviews in the intervening years.

In 2022 the Board carried out an internal review of its effectiveness. The following sets out the actions that were identified following the review together with the progress made since the review.

| Action | Progress |
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| Establish an ongoing programme of shareholder engagement with clarity on roles | Discussions on shareholder engagement have taken place at all Board meetings during the year and a programme of engagement has been put in place principally for the Chair, the Chief Executive and the Chair of the Remuneration Committee. |
| Incorporate relevant external perspectives to Board meetings and strategy sessions | A series of external advisers and other third parties have provided input to both Board and strategy days on key topics identified by the Board. |
| Review strategy statements to ensure they reflect ambition | Relevant external communications have been reviewed and updated to include appropriate wording. |
| Highlight relevant governance updates in Board packs | Governance and company secretarial updates are included in Board packs. |
| Establish external annual review of governance and director training | Governance was further considered in this year's external Board evaluation and the resulting recommendations are being actioned. Director training has taken place through external speakers at Board meetings and attendance at relevant seminars and/or webinars. |
| Prepare annual governance calendar | A corporate calendar covering the Board and its Committees has been implemented. |
| Ensure proactive approach to governance topics | The Chair regularly discusses governance topics, changes and updates with the Company Secretary and the Board is advised accordingly. |
| Focus on key items in Board materials and discussions | Board agendas clearly state key decision items allowing these to be prioritised for discussion. |
| Reduce business as usual topics | Items for the Board to note are highlighted as such and dealt with after key decision items. |
| Implement thematic calendar for meetings | This has been implemented as part of the corporate calendar. |
| Develop focused risk reporting for Board | A new risk radar document has been implemented which summarises principal and emerging risks together with an assessment of impact and likelihood. This is reviewed by the Audit and Risk Committee on a regular basis. |
| Undertake in-depth reviews of specific risk areas | This year we have appointed BDO as internal auditor to the Group. They have carried out three in-depth reviews this year, covering cyber security, key financial controls and debt covenants. The results of these reviews are discussed in the Audit and Risk Committee report. The internal audit plan for 2023/24 has been agreed with the Audit and Risk Committee, and will cover property and lease management, and valuations. |
| Ensure annual review of Board composition | The composition of the Board and succession planning are discussed at the Nomination Committee meetings. |
| Establish programme of engagement with team | In addition to the annual employee engagement survey, we have established regular informal meetings between the Board and the rest of the team following each in-person Board meeting. |



The external review concluded that the Board, its Committees and the individual Directors continue to operate very effectively.

Lena Wilson CBE

Chair of the Nomination Committee

This year the Board conducted an external review carried out by Boardroom Review Limited. This comprised a series of interviews with each of the Directors individually, and the Company Secretary, followed by a workshop where the interview feedback was discussed and summarised, and subsequent actions agreed.

The review concluded that the Board, its Committees and the individual Directors continue to operate very effectively.

The key themes and actions arising from the review were:

- Ensure opportunities for growth and increasing scale are fully considered
- Establish clear parameters on risk appetite
- Maintain occupier focus, especially around office working and technology
- Encourage more external perspectives, particularly ESG and technology
- Consider expertise and resource within the team
- Improve diversity at Board level and within the team
- Review existing company secretarial arrangements
- Consider future Board composition
- Review cyber security and data

As noted in the Introduction to Governance, we have reviewed our company secretarial arrangements and decided the function should be brought in-house. The Committee will provide an update on the other actions arising from the evaluation in its next report.

Boardroom Review Limited has no connection to Picton or with any of its Directors.

Diversity and inclusion

The Company values the contributions made by all of our team and is committed to treating all employees equally and considers all aspects of diversity, including gender, when considering recruitment at any level of the business. We recognise the need for diversity and support the move for greater gender and ethnicity representation on Boards. As a small team we do not have regular appointments and opportunities to increase diversity are limited, however it is our strong intention to do so whenever possible. All candidates are considered on merit but having regard to the right blend of skills, experience and knowledge at Board and Executive level, and amongst our employees generally.

Tenure and re-election

The tenure of Non-Executive Directors, including the Chair, is limited to nine years in accordance with the Corporate Governance Code.

The provisions of the Corporate Governance Code recommend that all Directors be subject to annual re-election at the Annual General Meeting. The Board will follow this recommendation at this year's Annual General Meeting.

Lena Wilson CBE

Chair of the Nomination Committee
24 May 2023