



M&G plc
(Company number: 11444019)
(the “Company”)

Terms of Reference for the Nomination and Governance Committee

1. Purpose

- 1.1 The Board of Directors of the Company (the “**Board**”) has established a Nomination and Governance Committee (the “**Committee**”) whose duties and responsibilities are discharged with respect to the Company and, where indicated, the M&G plc Group of Companies (together, the “**Group**”).
- 1.2 The Committee is responsible for the composition of, recruitment to and succession planning for the Board and its committees, taking into account the Group’s strategic priorities and the factors affecting the long term success and future viability of the Company and the wider Group. The Committee is also responsible for overseeing Group governance.

2. Constitution of the Committee

- 2.1 **Membership** – There shall be at least three members of the Committee. A majority of the members of the Committee shall be Independent Non-Executive Directors as determined by the Board (in accordance with the UK Corporate Governance Code (the “**Code**”).
- 2.2 **Appointment Term** – Appointments to the Committee are made by the Board and shall be for a period of up to three years which may be extended by a further two additional periods of up to three years, subject to the Independent Non-Executive Director still meeting the criteria for membership of the Committee.
- 2.3 **Chair** – The Chair of the Committee (the “**Committee Chair**”) shall be appointed by the Board. The Chair of the Board shall not act as the Committee Chair when the Committee is dealing with the appointment of their successor.
- 2.4 **Quorum** – The quorum for meetings shall be the Committee Chair and an Independent Non-Executive Director. In the absence of the Committee Chair (or their appointed deputy), the remaining members present shall elect one of themselves to chair the meeting. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 2.5 **Voting** – Each Committee member in attendance at a meeting (whether in person or by telephone or video conference) shall have one vote which may be cast on matters considered at the meeting except where they are deemed either directly or indirectly to have a personal interest. The Committee Chair shall have a casting vote except where he or she has a personal interest.



- 2.6 **Secretary** – The Company Secretary of the Company (the “**Secretary**”), or their nominee, shall act as secretary to 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 the issues and matters laid before it.
- 2.7 **Frequency of Meetings** – The Committee shall meet at least twice a year and at any other time as the Committee’s role and responsibilities require. Meetings may be conducted by telephone or video conference and decisions made by such means shall be appropriately recorded and shall have the same effect as those conducted in person.
- 2.8 **Attendance at Meetings** – Only members of the Committee have the right to attend Committee meetings. Other individuals such as the Chief Executive Officer, Chief People Officer, and external advisers (including specialist executive search consultants) would typically be invited to attend for all or any part of any meeting as and when the Committee Chair considers it appropriate.
- 2.9 **Notice of Meetings** – Meetings of the Committee shall be convened by the Secretary at the request of the Committee Chair or any other Committee member. Unless otherwise agreed, and except where a situation of urgency otherwise requires, wherever practicable, notice of each meeting confirming the venue, time, and date, together with an agenda of items to be discussed, shall be forwarded to each Committee member no later than five business 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 or at shorter notice with the Committee Chair’s approval.
- 2.10 **Minutes of Meetings** – The Secretary, or their nominee, shall minute the proceedings and decisions of all Committee meetings. Draft minutes shall be circulated promptly to all Committee members and, once agreed, to all other Board members unless, in the Committee Chair’s opinion, it is inappropriate to do so.

3. **Annual General Meeting**

The Committee Chair shall attend the Annual General Meeting (the “**AGM**”) of the Company to make a statement on the Committee’s activities and achievements over the year (including details on engagement with shareholders on significant matters) and to answer any shareholder questions on matters within the Committee’s area of responsibility.

4. **Responsibility**

The Committee shall carry out the following duties and advise the Board appropriately:



Board and Committee Composition

- 4.1 Keep up to date and fully informed about the strategic and commercial issues, priorities and main trends and factors affecting the long-term success and future viability of the Group and the market in which it operates.
- 4.2 Regularly review the structure, size, and composition (including the skills, independence, knowledge, experience, and diversity) of the Board (and its committees) and the Group taking account of the Company's strategic priorities and the matters affecting the Company, before making recommendations to the Board with regard to any changes.
- 4.3 In making recommendations on the composition of the Board's committees, the Committee shall give consideration to the benefits of cross membership and of progressive refreshing of the Board's committees to promote diversity of thought and fresh perspectives.

Appointments to the Board

- 4.4 Be responsible for identifying and nominating for the Board's approval candidates to fill Board vacancies as and when they arise. Open advertising and/or an external search consultancy should generally be used for the appointment of the Chair of the Board and Non-Executive Directors.
- 4.5 Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity of the Board and future challenges affecting the Company and, in 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 diversity of backgrounds;
 - (iii) Consider candidates on merit, against objective criteria and with due regard for the benefits of diversity, including but not limited to age, disability, ethnic, educational, social and gender diversity and cognitive and personal strengths; and
 - (iv) Consider and be comfortable that proposed appointees have sufficient time available to devote to the position, taking into account in particular any additional appointments, roles and/or responsibilities.



- 4.6 For the appointment of the Chair of the Board, the Committee shall prepare a job specification, including the time commitment expected. Any other significant commitments of a proposed Chair should be disclosed to the Board before appointment and any changes to the Chair's commitments should be reported to the Board as and when they arise.
- 4.7 Ensure that the description of the role and capabilities required for each Director position prepared by Group HR has regard to the composition of the Board and the knowledge, skills and experience of incumbent Directors, the strategy and operating context of the Company.
- 4.8 Review any proposed appointment of any Director to external non-executive roles where such appointment is referred by the Chair and/or CEO and make recommendations to the Board, having regard to the Code recommendation that full-time executive directors should not take on more than one non-executive directorship in a FTSE 100 company or other significant appointment.
- 4.9 Consider and make recommendations to the Board on the re-election of Directors at the AGM of the Company each year, 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 and the need for progressive refreshing of the Board (particularly in relation to Directors being re-elected for a term beyond six years).
- 4.10 Require Directors to apply to the Board for approval before undertaking additional external appointments and consider as part of that process whether the number and scale of other appointments that the Chair of the Board and/or any other non-executives is/are taking on may compromise their effectiveness.
- 4.11 Ensure that on appointment to the Board, Independent 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. Recommend suitable candidates for the role of Senior Independent Director.
- 4.12 The Committee should review and recommend to the Board an annual plan for the Board's engagement with stakeholders.

Conflicts of Interest

- 4.13 Prior to the appointment of a Director, the proposed appointee shall be required to disclose the nature and extent of any other business interests that may result in an actual or potential conflict of interest and be required to report any future business interests that could result in a conflict of interest.



- 4.14 Consider and, if appropriate, authorise any actual or potential situational conflicts of interest arising from either new or existing appointments and, in the case of specially material conflicts, advise the Board on whether the conflict should be authorised, including recommending any conditions which should be applied to the authorisation.
- 4.15 Keep under review potential conflicts of interests of Directors disclosed to the Company and develop appropriate processes for managing such conflicts if the Committee considers this necessary.

Succession Planning

- 4.16 The Committee shall review Board and senior management succession at regular intervals, and at least once a year. The Committee shall, as required, make recommendations to the Board based on merit and objective criteria on Non-executive roles to maintain an appropriate balance of skills, experience, independence, knowledge, and diversity, basing recommendations on merit and objective criteria. Particular attention shall be paid to succession in respect of the Chief Executive Officer, the Chair of the Board and other key Board positions e.g., the Senior Independent Director. Non-executive Board members should not hold their position for more than nine years except in exceptional circumstances, and the Committee should be cognisant of this when engaged in succession planning for this role.
- 4.17 Committee shall review and make recommendations to the Board based on merit and objective criteria, at regular intervals, and at least once a year, with respect to Board and senior management succession over the longer term in order to maintain an appropriate balance of skills, experience, independence, knowledge, and diversity. Particular attention shall be paid to succession in respect of the Chief Executive Officer, the Chair of the Board and other key Board positions e.g., the Senior Independent Director. The Chair of the Board should not hold their position for more than nine years except in exceptional circumstances, and the Committee should be cognisant of this when engaged in succession planning for this role.
- 4.18 Keep under review the leadership needs of the Company, be that executive, non-executive, or senior management leadership, with a view to ensuring the continued ability of the Group to compete effectively. Regularly consider the adequacy of proposals for succession, over the longer term, to key leadership positions across the Group, taking into account challenges and opportunities facing the Group and the skills and expertise needed in the future.
- 4.19 Oversee the development of a diverse pipeline for succession, having regard to diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
- 4.20 Consider and advise the Board on any matters relating to the continuation in office of any Director at any time including any proposal for their dismissal, retirement, non-



reappointment, promotion or any other substantial change in their duties or responsibilities or the term of their appointment.

Director Reviews and Evaluation

- 4.21 Assist the Chair of the Board and the Senior Independent Director with the implementation of an annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its committees, including consideration of the balance of skills, experience, independence and knowledge of the Company, its diversity, how the Board and each of its committees work together as a unit and other factors relevant to the Board's effectiveness.
- 4.22 Review the results of the Board performance evaluation process that relate to the composition of the Board, its diversity and how effectively Board members work together to achieve objectives.
- 4.23 Review annually the time required from Independent Non-Executive Directors, including the Chair of the Board and Senior Independent Director. Performance evaluations should be used to assess whether the Independent Non-Executive Directors are contributing sufficient time to adequately fulfil their duties.
- 4.24 The Committee should, in particular, have regard to any additional roles, appointments and/or responsibilities taken on by the Directors and may consider recommending limits on the number and scale of other appointments it considers permissible for the Chair of the Board and other Independent Non-Executive Directors to hold without compromising their effectiveness.
- 4.25 Ensure that the conclusions and recommendations arising from these reviews and evaluations are reported to the Board.
- 4.26 Regularly review the independence of Non-Executive Directors.

Governance

- 4.27 **Diversity and Inclusion** – the Committee shall, together with Human Resources and/or any other applicable function of the Company or the Group, develop a diversity and inclusion strategy and associated objectives, and monitor and evaluate the impact and effectiveness of these diversity and inclusion initiatives across the Group. In doing so, the Committee should be mindful of the aspects of diversity and inclusion which are particularly important given the operating context of the Company and its needs.
- 4.28 **Group Governance** – the Committee shall have oversight of the Group Governance Framework and oversight of subsidiaries and governance policies in the Group.



5. Reporting Responsibilities

- 5.1 The Committee Chair shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities and, subject to clause 2.10, shall make its minutes available to the Board.
- 5.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 5.3 The Committee shall compile a report in the Company's Annual Report and Accounts, including any matters required by the Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority (the "FCA") which should describe the work of the Committee, including:
- (i) Its activities, the membership of the Committee, number of meetings and attendance over the course of the year;
 - (ii) The process used to make appointments to the Board, its approach to succession planning and how both support the development of a diverse pipeline;
 - (iii) Confirmation if external advice or open advertising has been used in relation to the appointment of a Director. Where an external search agency has been used, it shall be identified and a statement made as to whether it has a connection with the Company;
 - (iv) How the Board evaluation has been conducted, the nature and extent of an external evaluator's assistance, including identification of an external evaluator and any connections it has with the Company or any of the Directors, the outcomes and actions taken, and how it has or will influence Board composition;
 - (v) A statement on the Group's policies on diversity and inclusion, including those related to gender, any measurable objectives that it has set for implementing the policy and linkage to the Company's strategy, how it has been implemented and progress on achieving the policy's objectives; and
 - (vi) The gender balance of senior management within the Company and their direct reports.



- 5.4 Ensure, through the Chair of the Board, that the Company maintains contact and the Committee Chair seeks engagement, as required, with the Company's major shareholders on significant matters related to the Committee's areas of responsibility.
- 5.5 The Committee shall make its Terms of Reference available to the public and the Company's shareholders via the Company's website.

6. Authority

- 6.1 The Committee shall be authorised to:
- (i) Request that any Director, employee or third party service provider to the Company be available to answer questions at Committee meetings and co-operate with any reasonable request of the Committee;
 - (ii) Seek any information it requires from any Director or employee of, or third party service provider to, the Company in order to perform its duties; and
 - (iii) Obtain, at the Company's expense, independent legal or other professional advice on any matter within its Terms of Reference, and invite persons giving such advice to attend Committee meetings.
- 6.2 The Committee shall liaise with other Board Committees as appropriate.

7. Delegation

- 7.1 The Committee has the delegated authority of the Board in respect of the functions and powers in these Terms of Reference. The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation, the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.

8. Other

- 8.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance, as required.
- 8.2 Each member shall receive an induction upon appointment to the Committee. The level of induction needed will be considered by the Committee Chair and the Secretary. The Committee will receive training on an ongoing basis.
- 8.3 The Committee shall give due consideration to laws and regulations, the provisions of the Companies Act 2006, the Code, guidance as issued by the Prudential Regulation Authority, the FCA (and/or any and all regulators of the Company and/or the Group or any one of its constituent entities) and the requirements of the FCA's Listing,



Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate.

- 8.4 The Committee shall oversee any investigation of activities which are within its Terms of Reference.
- 8.5 The Committee shall undertake a formal and rigorous annual review of its own performance and review its Terms of Reference at least annually, to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.
- 8.6 Any changes to the Committee's Terms of Reference must be approved by the Board.

Approved by the Board on 28 February 2024