

CAB PAYMENTS HOLDINGS PLC (“CPH”)

and

CROWN AGENTS BANK LIMITED (“CAB”)

(the “Companies”)

TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE
(approved by the Boards of Directors of CPH and CAB on 27 November 2023)

1. APPLICATION

- 1.1 A committee of the respective Boards of each of CPH and CAB shall be established by resolutions of the respective Boards, to be known as the Nomination Committee (or, the **Committee**). The Nomination Committee shall sit jointly in respect of CPH and CAB, save in circumstances where it would be inappropriate to do so. These circumstances include, without limitation, where there is a potential conflict of interest between CPH and CAB.
- 1.2 Where a joint meeting of the Nomination Committee takes place, these Terms of Reference shall apply. Where the Nomination Committee of CPH or CAB sits separately, these Terms of Reference shall apply save where, due to legal or other reasons considered appropriate by the members, they cannot or should not apply.
- 1.3 For the purpose of these Terms of Reference the term ‘Board’ shall mean, when the Nomination Committee is sitting as a joint Nomination Committee, the Boards of each of CPH and CAB. Where the Nomination Committee is sitting as either as Nomination Committee of CPH or CAB individually then it shall mean the relevant Board of CPH or CAB only. CPH and its subsidiaries shall together mean, the **Group**.

2. MEMBERSHIP

- 2.1 The Nomination Committee shall comprise at least three directors. A majority of the members of the Nomination Committee shall be independent non-executive directors.
- 2.2 Appointments to the Nomination Committee are made by the Board on the recommendation of the Nomination Committee. In deciding chairship and membership of the Nomination Committee, the value of ensuring that committee membership is refreshed, and that undue reliance is not placed on particular individuals should be taken into account.
- 2.3 Only members of the Nomination Committee have the right to attend and vote at committee meetings. However, other individuals such as the Chief Executive Officer, the Head of Human Resources, the Chief Risk Officer, and external advisers may be invited to attend for all or part of any meeting, as and when deemed appropriate and necessary.
- 2.4 The Chief Risk Officer shall be entitled to report on risk-related matters without other executives present.
- 2.5 The chair of the Nomination Committee shall be appointed by the respective boards of CPH and CAB on the recommendation of the Nomination Committee and shall be an independent non-executive director from among the members of the Nomination Committee. In the absence of the chair of the Nomination Committee (and/or an appointed alternate member), the members present at any meeting of the Nomination Committee shall elect one of their number to chair the meeting. In

deciding chairship and membership of the Nomination Committee, the value of ensuring that committee membership is refreshed, and that undue reliance is not placed on particular individuals shall be taken into account.

- 2.6 If any member of the Nomination Committee is unable to act for any reason, subject to paragraph 2.1, the Committee chair may appoint any other non-executive director of the respective Companies to act as his or her alternate.
- 2.7 Decisions of the Nomination Committee will be made by majority vote. In the event of an equality of votes, except where he or she is interested in the decision in question, the Committee chair shall have a casting vote.
- 2.8 The Company Secretary, or their nominee, shall act as the secretary of the Nomination Committee and shall attend all of its meetings, and will ensure that the committee (and invitees as appropriate) receive information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 2.9 Each member of the Nomination Committee shall disclose to the Committee:
 - (a) any personal financial interest (other than as a shareholder) in any matter to be decided by the Nomination Committee; or
 - (b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Nomination Committee in relation to which such interests exist, and from participating in the discussions concerning such resolutions and (if so requested by the Board) shall resign from the Nomination Committee.

3. QUORUM

- 3.1 The quorum necessary for the transaction of business shall be two, both of whom must be independent non-executive directors. Meetings of the Nomination Committee may be validly conducted when the members are physically present together or in the form of video or audio conference (or any such combination), provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting or are able to receive communications from each of the other committee members participating in such meeting. Individuals in attendance at committee meetings by invitation may participate in discussions but do not form part of the quorum.
- 3.2 All reasonable efforts shall be made to give notice of meetings of the Nomination Committee to all members and invitees and to arrange such meetings so that all members and invitees are able to attend. No member of the Nomination Committee shall attend or form part of the quorum in relation to any appointment in which he/she has a personal interest.
- 3.3 A duly convened meeting of the Nomination Committee at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions vested in or exercisable by the committee.

4. FREQUENCY OF MEETINGS

The Nomination Committee shall meet at least twice a year and otherwise as required. Decisions may be taken by the Nomination Committee without a meeting if all the members of the Nomination Committee provide their approval in writing.

5. NOTICE OF MEETINGS

- 5.1 Meetings of the Nomination Committee shall be called by the Secretary of the Nomination Committee at the request of the Committee chair or any of its members.
- 5.2 Unless otherwise agreed by the Nomination Committee, 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 and any other person required to attend 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 of the Committee shall minute the proceedings and decisions of all Nomination Committee meetings, including recording the names of those present and in attendance.
- 6.2 At the beginning of each meeting, each member of the Nomination Committee shall declare the existence of any conflicts of interest and the Secretary of the Nomination Committee shall minute them accordingly.
- 6.3 Draft minutes of Nomination Committee meetings shall be circulated promptly to all members of the Committee. Unless a conflict of interest exists, all other members of the Board may request copies of the minutes of meetings of the Nomination Committee from the Committee chair or the Secretary.
- 6.4 Final signed copies of the minutes of the meetings of the Nomination Committee should be maintained for both Companies' records, in hard and soft copy where possible.

7. ENGAGEMENT WITH SHAREHOLDERS

In relation to CPH, the chair should attend the annual general meeting to answer any shareholder questions on the Nomination Committee's activities. All members of the Nomination Committee shall also attend the annual general meeting.

In addition, the Committee chair should seek engagement with shareholders on significant matters related to the Nomination Committee's areas of responsibility.

8. DUTIES

- 8.1 The Nomination Committee should carry out the duties below for CPH, major subsidiary undertakings and the Group, as appropriate.
- 8.2 The Nomination Committee shall:
- (a) lead the process for Board appointments and make recommendations to the Board;
 - (b) 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;
 - (c) develop and periodically review both Companies' policies on how to promote the diversity of the Board and diversity in the wider group, having regard to both Companies' reporting responsibilities;

- (d) ensure plans are in place for orderly succession to Board and senior management positions, and oversee the development of a diverse pipeline for succession, based on merit and objective criteria and taking into account the challenges and opportunities facing the Companies, and the skills and expertise needed on the Board in the future, the length of service of the Board in general, and which should be aligned to the strategic objectives of the Companies and their Board;
- (e) 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;
- (f) keep up-to-date and fully informed about strategic issues and commercial changes affecting both Companies and the market in which they operate;
- (g) be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- (h) before any appointment is made by either Board, evaluate the balance of skills, knowledge, experience, and diversity on the Board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and the time commitment expected. In identifying suitable candidates, the Nomination 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, having due regard to the benefits of diversity on the Board (and to the Companies' reporting responsibilities in this respect) and taking care that appointees have enough time available to devote to the position,
- (i) prior to the appointment of a director, other significant 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;
- (j) to consider requests for approval and to advise the Board where any director seeks consent to take on an additional external appointment, and to ensure that the reasons for permitting any significant appointment are disclosed in the annual report;
- (k) 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, any committee service and involvement outside Board meetings;
- (l) ensure, in conjunction with the chair of the Board and the Secretary, that new directors receive a full, formal and tailored induction;
- (m) review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning for both Companies, and provide support to the chair of the Board and Secretary in relation to this process and if required, the Nomination Committee shall be responsible for appointing an external evaluator;

- (n) 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
- (o) work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

8.3 The Nomination Committee shall also make recommendations to the Board concerning:

- (a) any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved;
- (b) suitable candidates as new directors and succession for existing directors;
- (c) membership of the Audit, Risk, Disclosure, and Remuneration committees, and any other Board committees, as appropriate, in consultation with the respective chairs of those committees;
- (d) the re-appointment of non-executive directors 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, and the independence of the non-executive directors to ensure there remains sufficient balance on the Board;
- (e) the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code (the **Code**) or the retirement by rotation provisions in the respective Companies' articles of association, having due regard to their performance and ability, and why their contribution is important to both Companies' long-term sustainable success in light of the skills, experience and knowledge required and the need for progressive refreshing of the Board, taking into account the length of service of individual directors, the chair and the Board as whole;
- (f) 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 either of the Companies subject to the provisions of the law and their service contract; and
- (g) the appointment of any director to executive or other office.

The Committee members must act in accordance with the Directors' Duties as set out in sections 171 – 177 of the Companies Act 2006 (Act) when discharging their obligations as set out in these Terms of Reference.

9. REPORTING RESPONSIBILITIES

- 9.1 The Committee chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.
- 9.2 The Nomination 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.
- 9.3 In relation to CPH, the Nomination Committee shall produce a report to be included in CPH's annual report describing the work of the Nomination Committee, including:

- (a) the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline;
- (b) 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 or will influence board composition;
- (c) the policy on diversity and inclusion (including but not limited to gender and ethnicity), and:
 - (i) any related statements, its objectives and linkage to company strategy;
 - (ii) how it has been implemented and applied to CPH's administrative, management and supervisory bodies and the remuneration, audit and Nomination Committee of those bodies, as well as the Board as a whole; and
 - (iii) progress on achieving the objectives,
- (d) the gender balance of those in the senior management team and their direct reports and a statement (in the prescribed manner) setting out whether CPH has met the targets on board diversity set out in the Financial Conduct Authority's (the **FCA**) Listing Rules (LR 9.8.6R(9));
- (e) numerical data on the ethnic background and the gender identity or sex of CPH's Board and its executive management in the form prescribed by the FCA's Listing Rules (LR 9.8.6R(10));
- (f) 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 CPH or individual directors and, if an external search consultancy has not been used for the appointments of the chair of the Board and/or non-executive directors, a rationale should be provided for this; and
- (g) all other information requirements set out in the Code.

9.4 The Nomination Committee shall have the authority to delegate to any subcommittees of the Committee any responsibilities of the full committee and to officers of both Companies such responsibilities of the full committee, in each case to the extent permitted by applicable laws, rules or regulations.

10. OTHER MATTERS

The Nomination Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Secretary for advice and assistance as required.
- (b) in the event of any investigation relating to any item contained within these Terms of Reference, to oversee such an investigation.
- (c) 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.
- (d) Give due consideration to all relevant laws and regulations, the principles and provisions of the Code and associated guidance, the requirements of the FCA's Listing Rules, the FCA Corporate Governance Disclosures by Listed Issuers dated November 2020 (FCA Primary Market Bulletin No. 31), the Prospectus Regulation Rules Sourcebook and Disclosure

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

- (e) At least annually, review or participate in a review of its own performance, the results of which shall be presented to the Board.
- (f) At least annually, review its constitution and these Terms of Reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11. AUTHORITY

The Nomination Committee is authorised by each of the Boards to:

- (a) seek any information it requires from any employee of either of the Companies in order to perform its duties;
- (b) obtain, at the relevant Company's expense, independent legal, accounting, or other professional advice on any matter if it believes it necessary;
- (c) call any employee to be questioned at a meeting of the committee as and when required; and
- (d) have the right to publish in the CPH's annual report, details of any issues that cannot be resolved between the Nomination Committee and the Board.

Although the Nomination Committee can seek the advice and assistance of the executive management, it must ensure that this role is clearly separated from the executive management's role within the business.

12. VERSION HISTORY

Issue No	Version No	Issue Date	Summary of Changes
1	1.0	26 June 2023	Initial Document
2	1.1	27.11.2023	Amendments to initial document. LM