

SYNCONA LIMITED (the *Company*)

NOMINATION AND GOVERNANCE COMMITTEE TERMS OF REFERENCE

updated by the board of directors on 8 June 2020

1. BACKGROUND

The Board of Directors of the Company (the ***Board***) has resolved to establish a Nomination Committee (the ***Committee***).

2. DUTIES OF THE COMMITTEE

2.1 The Committee shall:

- (a) be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession for directors, in particular with respect to the Chair;
- (b) review regularly the Board structure, size and composition (including the skills, knowledge, diversity and experience) and make recommendations to the Board about any adjustments;
- (c) prepare a policy on board diversity and recommend steps to be taken to achieve its objectives;
- (d) review annually the time required from directors to fulfil their duties. Performance evaluation should be used to assess whether the directors are spending enough time to fulfil their duties;
- (e) make recommendations to the Board concerning any changes needed to the succession planning process if its regular review indicates the desired outcomes have not been achieved;
- (f) prior to the appointment of a director, the proposed appointee should be required to disclose any other significant time commitments and any additional future commitments should not be undertaken without prior approval of the Board. In addition the proposed appointee should be required to disclose any business interests that may result in a conflict of interest and these must be authorised by the board. Furthermore, any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the Board;
- (g) ensure that on appointment to the Board, 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;
- (h) prepare a job description and time commitment for the Chair of the Board;
- (i) assist the Chair of the Board 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 balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, how the Board works together as a unit, and other factors relevant to the Board's effectiveness, and ensure that evaluation of the Board is externally facilitated at least every three years;
- (j) review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning;

- (k) ensure that all new directors undertake an appropriate induction programme to ensure that they are fully informed about strategic and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director;
- (l) consider any training requirements for the Board as a whole;
- (m) make recommendations to the Board on whether to reappoint a director at the end of their term of office having given regard to their performance and ability to continue to contribute to the Board in light of knowledge, skills and experience required;
- (n) make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of a director as an employee of the Company;
- (o) make recommendations to the Board concerning the re-election by shareholders of directors under the annual re-election process or the retirement by rotation provisions in the Company's articles of association, having due regard to their performance and ability, and why their contribution is important to the Company's 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 a whole;
- (p) keep under review the leadership needs of the Company with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- (q) make recommendations to the Board about suitable candidates for membership and chair of the audit and remuneration committees of the Board and any other Board committees or boards of subsidiaries of the Company (other than any portfolio company) as appropriate, in consultation with the chair of that committee;
- (r) make recommendations to the Board about suitable candidates for appointment as Chair, Senior Independent Director or any other role as appropriate;
- (s) before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience 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;
 - (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position;
- (t) review on an annual basis the Company's compliance with the UK Corporate Governance Code July 2018, as may be amended or replaced from time to time, and make recommendations to the Board; and
- (u) work and liaise as necessary with other Board committees, ensuring interaction between the committees and the Board is reviewed regularly.

3. COMPOSITION

3.1 Members of the Committee shall be appointed by the Board and shall be made up of at least three members. A majority of the members of the Committee shall be independent directors of the Company. If any member of the Committee is determined by the Board no longer to be independent and that would result in a majority of the Committee not being independent, that director shall cease to be a member of the Committee.

3.2 The Board shall appoint the chair of the Committee who shall be either the Chair of the Board or an independent director. The Chair of the Board shall not chair the Committee when it is dealing with the appointment of a successor to the Chair of the Board. In the absence of the Committee chair and/or an appointed deputy, the remaining members present shall elect one of the independent directors to chair the meeting.

3.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of such meetings.

3.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three-years, provided the director still meets the criteria for membership of the committee.

4. QUORUM

4.1 The quorum necessary for the transaction of business shall be two members both of whom must be independent directors.

4.2 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.

5. MEETING ADMINISTRATION

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

5.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair.

5.3 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date and dial-in details (if required) together with an agenda of the items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other directors as soon as practicable and in any event, no later than two 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. SECRETARY

6.1 The company secretary or such person as the company secretary nominates shall act as the secretary of the Committee.

6.2 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

6.3 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

6.4 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

7. REPORTING RESPONSIBILITIES

7.1 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.

7.2 The Committee shall make such recommendations to the Board it deems appropriate on any area within its remit where action or improvement is desirable and adequate time should be made available for Board discussion when necessary.

7.3 The Committee shall make a statement in the annual report describing the work of the 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 outcome and actions taken, and how it has or will influence Board composition;
- (c) the policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives;
- (d) the identification of an external search consultancy, if engaged, together with a statement about any other connection it has with the Company or individual directors.

7.4 The Committee chair shall attend the Annual General Meeting prepared to respond to 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.

8. OTHER MATTERS

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- (b) 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;
- (c) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, as appropriate;
- (d) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- (e) oversee any investigation of activities which are within its terms of reference.

9. AUTHORITY

The Committee is authorised by the Board to:

- (a) undertake any activity within its terms of reference;
- (b) obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend at meetings of the Committee; and
- (c) delegate any of its duties to one or more of its members or the secretary.