

**Volta Finance Limited (the "Company")**

**TERMS OF REFERENCE - NOMINATION COMMITTEE**

**1. Constitution**

- 1.1 The Nomination Committee (the "**Committee**") was constituted by resolution of the Board of Directors (the "**Board**") on 9 October 2007.

**2. Membership**

- 2.1 Members of the Committee (the "**Members**") shall be appointed by the Board and shall be made up of least three Members, the majority of whom should be independent non-executive directors.
- 2.2 Only the Members, and any directors who are not members, have the right to attend Committee meetings. However, other individuals such as representatives of the Company's external advisers may from time to time be invited to attend all or part of any meeting as and when appropriate.
- 2.3 Appointments to the Committee shall be for so long as the appointee remains a Director of the Company, or, if earlier, until such time as the individual is removed from the committee by the Board. In this context it should be noted that all Directors have agreed to stand for re-election as a Director at each Annual General Meeting and thus if they are not so re-elected they will automatically cease to be a member of the Committee.
- 2.4 The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman the remaining Members present shall elect one of their number to chair the meeting.
- 2.5 The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

**3. Secretary**

- 3.1 Sanne Group (Guernsey) Limited (the "**Company Secretary**") shall act as the Secretary of the Committee.

**4. Quorum**

- 4.1 The quorum necessary for the transaction of business shall be two Members. 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. Notwithstanding the foregoing, the Committee may authorise a sub-committee of one Member to act on behalf of the Committee with respect to any specified matter.

**5. Meetings**

- 5.1 The Members may convene the Committee, meet together for the despatch of business and otherwise regulate their meetings as they think fit.

**6. Frequency of Meetings**

- 6.1 The Committee shall meet at least once a year at appropriate times in the reporting and audit cycle and otherwise as required.<sup>1</sup>

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<sup>1</sup> The frequency and timing of meetings will differ according to the needs of the Company. Meetings will be organised so that attendance is maximised (for example by timetabling them to coincide with Board meetings).

## **7. Notice of Meetings**

- 7.1 Meetings of the Committee shall be summoned by the Company Secretary of the Committee at the request of any of its Members or at the request of any of the Company's external advisors if they consider it necessary.
- 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 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.

## **8. Minutes of Meetings**

- 8.1 The Company Secretary shall minute the proceedings, recommendations and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 8.2 The Company Secretary shall ascertain, at the beginning of each meeting, any material interest the Members have in relation to the business of the meeting.
- 8.3 Minutes of Committee meetings shall be circulated promptly to all Members of the Committee and, once agreed, to all Members of the Board.

## **9. Annual General Meeting**

- 9.1 The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

## **10. Duties**

- 10.1 The Committee shall:
- (a) regularly review the structure, size and composition of the Board to ensure that the Board's members have the necessary balance of skills, experience and knowledge of the Company, whilst also ensuring that the objectivity of independent non-executive directors is not impaired by long length of service (i.e. the Committee should seek to ensure that the Board comprises an appropriate balance of members) and make recommendations to the Board with regard to any changes identified as being necessary;
  - (b) give full consideration to succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
  - (c) ensure that the Chairman of the Board is an independent non-executive director;
  - (d) ensure that a majority of the Board is independent of the Investment Manager;
  - (e) ensure that the Board has a policy on tenure, which is disclosed in the annual report;
  - (f) ensure that Directors are submitted for re-election annually, with Nomination for re-election not being assumed but, rather being based on disclosed procedures and continued satisfactory performance;
  - (g) undertake a formal and rigorous annual evaluation of its own performance and that of the other Board Committees and individual directors; the process of Board evaluation should be explained in the annual report;
  - (h) ensure that the independent directors take the lead in the appointment of new directors and that the process is disclosed in the annual report;
  - (i) be responsible for preparing a description of the role and capabilities required for a particular appointment and identifying and nominating candidates for the approval of the Board, to fill Board vacancies as and when they arise;
  - (j) ensure that directors are offered relevant training, as appropriate, including induction training for new directors;

- (k) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates; and
- (l) 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

10.1.2 In identifying suitable candidates the Committee may use open advertising or the services of external advisers to facilitate the search;

10.1.3 When considering new appointments, the Committee shall:

- (a) seek to strengthen any areas where any gaps or potential weaknesses have been identified.
- (b) consider candidates on merit and against objective criteria.
- (c) ensure that appointees identified can devote sufficient time to the Company to carry out their duties effectively;
- (d) consider and, where feasible, enhance the diversity of the Board, including gender;
- (e) 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;
- (f) 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, committee service and involvement outside Board meetings.

10.1.4 Board tenure: where a Board Member has been appointed by the Board and wishes to continue to serve on the Board, such a Board member will submit himself/herself for re-election at the next following annual general meeting of the Company after his/her initial appointment. Thereafter, he/she will submit themselves for annual re-election in line with all other Directors.

10.2 The Committee shall make recommendations to the Board concerning:

- (a) plans for succession for directors and in particular for the key roles of Chairman of the Board and Senior Independent Director;
- (b) membership of the Company's other Committees, including the Risk, Audit and Remuneration Committees, in consultation with the Chairmen of those Committees;
- (c) any matters relating to the continuation in office of any director at any time subject to the provisions of the law and their service contract.

## **11. Reporting Responsibilities**

11.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

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.

11.3 The Committee shall make a statement in the Company's Annual Report that provides:

- a) information about its activities during the financial year;
- b) an explanation of the process used to make appointments, if any, and a statement as to whether or not external advice or open advertising was used during the selection process and, if not, an explanation why;

- c) a description of the Board's policy on diversity, including gender, including any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives; and
- d) a description of the Board's policy on tenure.

## **12. Other Matters**

- 12.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 12.2 The Committee shall give due consideration to laws and regulations, the provisions of the AIC Code of Corporate Governance, the UK Corporate Governance Code and the requirements of the Euronext Listing Rules and London Listing Rules as appropriate;
- 12.3 The Committee shall oversee any investigation of activities which are within its terms of reference and act as a court of the last resort; and
- 12.4 The Committee shall at least once a year, review its own performance, 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.

## **13. Authority**

- 13.1 The Committee is authorised to seek any information it requires from any employee of the Company or of any of its external advisers in order to perform its duties;
- 13.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
- 13.3 The Committee is authorised to call any employee or any of its external advisers to be questioned at a meeting of the Committee as and when required.

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