



LION FINANCE GROUP PLC NOMINATION COMMITTEE TERMS OF REFERENCE

These terms of reference identify and formalise the roles, tasks and responsibilities of the Nomination Committee (the “**Committee**”) of Lion Finance Group PLC (the “**Company**”) and the authority delegated to the Committee by the board of directors of the Company (the “**Board**”) to oversee appointments to and the succession planning of the Board and Senior Management. References to the **Group** shall mean the Company and its subsidiaries. References to **Senior Management** shall be the executive committee or the first layer of management below Board level.

1 MEMBERSHIP

- 1.1 The Committee shall be appointed by the Board and shall consist of a minimum of three members. A majority of the members of the Committee shall be independent non-executive directors. The Chair of the Board may also serve on the Committee.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the CEO, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary with the agreement of the Committee Chair.
- 1.3 Appointments to the Committee shall be for a period of up to three years, and reviewed thereafter annually, provided that the director continues to meet the criteria for membership of the Committee.
- 1.4 The Board shall appoint the Chair of the Committee, (who shall be either the Chair of the Board or an independent non-executive director (the “**Committee Chair**”). The Chair of the Board shall not act as Committee Chair when it is dealing with the matter of succession of 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 their number to chair the meeting.
- 1.5 If a regular member is unable to act for any reason, subject to paragraph 1.1, the member or, failing them, the Committee Chair may appoint another director of the Company to serve as an alternate member.

2 SECRETARY

- 2.1 The Secretary or their nominee shall act as the secretary and will ensure that the Committee receives information in a timely manner to enable full and proper consideration to be given to the issues.

3 QUORUM

- 3.1 The quorum necessary for the transaction of business shall be two members each of whom shall be an independent non-executive director. The required directors meeting either in person or in the form of video or audio conference (or any such combination) will constitute a quorum. 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.

4 FREQUENCY OF MEETINGS

- 4.1 The Committee shall meet not less than twice a year and at such other times as the Board or the Committee Chair shall require. Decisions may be taken by the Committee without a meeting if all of the members of the Committee provide their approval in writing electronically.

5 NOTICE OF MEETINGS

- 5.1 Meetings of the Committee shall be convened by the Secretary or the UK General Counsel at the request of the Committee Chair or by any other Committee member.
- 5.2 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 and, any other person required to attend not less than five working days prior to the date of the meeting. Supporting papers shall be sent to members of the Committee, and to other attendees as appropriate, at the same time.

6 MINUTES OF MEETINGS

- 6.1 The Secretary shall prepare minutes of the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Unless a conflict of interest exists, all other members of the Board may request copies of minutes of Committee meetings from the Committee Chair or the Secretary.
- 6.3 Final signed copies of the minutes of the meetings of the Committee should be maintained for the Company's records.

7 SHAREHOLDER ENGAGEMENT

- 7.1 The Committee Chair should engage with the shareholders on significant matters related to the Committee's areas of responsibility.

8 DUTIES

- 8.1 The Committee shall:
- (a) regularly review the structure, size and composition (including a review of the scope to further promote diversity, inclusion and equal opportunity) of the Board and its committees (with particular regard to the balance of executive and non-executive directors, including independent non-executives) and make recommendations to the Board with regard to any changes;
 - (b) give full consideration to succession planning for directors and Senior Management in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future, and the output of the Committee's reviews of the current structure, size and composition of the Board;
 - (c) lead the process and be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
 - (d) prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest. The Committee shall consider whether, despite any such conflict or potential conflict, there are nevertheless grounds for recommending the candidate for appointment and for the Board to authorise the relevant conflict. The Committee shall, as part of any proposal to the Board for appointment of the relevant candidate, explain these grounds and make recommendations as to the terms and conditions on which any authorisation of the conflict should be given by the Board.
 - (e) before recommending an appointment, evaluate the current and recommended future balance of skills, knowledge, experience, independence, diversity (including consideration of the Board's current gender, social and ethnic backgrounds) and

cognitive and personal strengths on the Board, and the future challenges affecting the business, 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 if deemed necessary;
 - (ii) consider candidates from a wide range of backgrounds;
 - (iii) consider candidates on merit and against objective criteria, and with due regard for the benefits of diversity, inclusion and equal opportunity, taking care that appointees having enough time available to devote to the position; and
 - (iv) take the stakeholder perspective into account when deciding on the recruitment process and the selection criteria.
- (f) for the appointment of a director, prepare a job specification, including the time commitment expected. A proposed director's other significant commitments should be disclosed to the Board before appointment and any changes to the director's commitments should be reported to the Board as they arise;
 - (g) consider requests 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;
 - (h) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
 - (i) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
 - (j) review annually the time required from non-executive directors. Performance reviews should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
 - (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, Committee service and involvement outside Board meetings;
 - (l) assess the results of the Board performance review process that relate to the composition of the Board, its committees, the Chair and individual directors;
 - (m) work with the HR team to set and meet diversity, inclusion and equal opportunity objectives and strategies for the Group, review and monitor Group's diversity and inclusion policies and their impact; and
 - (n) work and liaise as necessary with all other Board committees.

8.2 The Committee shall also make recommendations to the Board concerning:

- (a) succession plans for both executive and non-executive directors (giving consideration to the length of service of the Board as a whole and membership regularly refreshed.) and in particular for the key roles of chair and CEO;
- (b) suitable candidates for the role of senior independent director;
- (c) membership of the audit, remuneration and risk committees, and any other Board committees as appropriate, in consultation with the chair of those committees;

- (d) the re-appointment of any non-executive director at the conclusion of their specified term of office 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 their independence;
- (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 Company's articles of association, bearing in mind the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
- (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 the Company, subject to the provisions of the law and their service contract; and
- (g) the appointment of any director to executive or other office.

8.3 The Committee shall carry out the duties in 8.1 and 8.2 above for the Company, major subsidiary undertakings and the Group as a whole, as appropriate.

9 REPORTING RESPONSIBILITIES

- 9.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall produce a report to be included in the Company's annual report about its activities, the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline, and shall explain if an external consultancy or open advertising has not been used, and if not then why they were not so used. Where an external search consultancy has been used, it should be identified in the annual report and a statement made as to whether it has any connection with the Company.
- 9.4 The report referred to in 9.3 above should also include a description of the Board's policy on diversity and inclusion, how this policy complements and serves to deliver the Company's strategy, any measurable objectives that it has set for implementing the policy and progress on achieving those objectives. The report should include reference to the gender balance of those in Senior Management and their direct reports.
- 9.5 The report referred to in 9.3 above should also include a statement on how the annual Board performance review has been conducted. When an externally facilitated Board performance review takes place (at least every three years), further information should be disclosed on how the Board engaged with the reviewer and how its outcomes and actions have or will influence succession planning and Board composition. If an external reviewer is used, they should be identified in the annual report alongside a statement made about any other connection it has with the Company or individual directors.

10 OTHER MATTERS

- 10.1 The 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) 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 and for the

Board as a whole;

- (c) give due consideration to laws and regulations, the provisions of the Code, published guidance, the requirements of the Financial Conduct Authority's Listing Rules, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;
- (d) work and liaise as necessary with all other Board committees ensuring interaction between committees and with the Board is reviewed regularly, taking particular account of the impact of responsibilities being delegated to different committees; and
- (e) arrange for annual 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.

11 AUTHORITY

- 11.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 11.2 The Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice on any matters within its terms of reference.
- 11.3 The Committee may sub-delegate any or all of its powers and authority and may establish sub-committees which are to report back to the Committee.

12 PUBLICATION OF TERMS OF REFERENCE

- 12.1 These Terms of Reference shall be made available on the Company's website.

Approved on 20 September 2024