



WATCHES OF SWITZERLAND GROUP PLC

TERMS OF REFERENCE FOR
THE NOMINATION COMMITTEE

MAY 2023

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The Nomination Committee (the “Committee”) is a committee of the board of directors (the “Board”) of Watches of Switzerland Group PLC (the “Company”) from which it derives its authority and to which it regularly reports.

I MEMBERSHIP

- I.1 The Committee shall comprise a chair and a minimum of two members. The majority of the Committee shall consist of independent non-executive directors (in accordance with the principles of the UK Corporate Governance Code 2018 (the “Code”).
- I.2 Subject to the provisions of the Company’s articles of association and to the provisions of the letter of appointment of each director of the Company, appointments to the Committee shall be for a period of up to three years, which normally may be extended for two further three-year periods, provided the director still meets the criteria for membership of the Committee.
- I.3 The Board shall appoint the Chair of the Committee from among the independent non-executive directors. In the absence of the Chair of the Committee and/or an appointed deputy, the remaining members present at a meeting shall elect one of their number present to chair the meeting.
- I.4 The Chair of the Committee shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.

2 SECRETARY

The Company Secretary, or their nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

3 QUORUM

The quorum necessary for the transaction of business at a Committee meeting shall be two members, present in person or by audio or video conference.

4 MEETINGS

- 4.1 The Committee shall meet at least twice a year and otherwise as required.
- 4.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Executive Directors, the Executive Director Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary and with the agreement of the Chair of the Committee. The Chair of the Committee shall have the discretion to decide who, other than Committee members, shall attend and address Committee meetings.
- 4.3 No person (including directors or the Chair of the Company) shall participate at a meeting of the Committee (or during a relevant part) at which any part of their remuneration is being directly discussed or participate in any recommendation or decision specifically concerning their remuneration.

5. NOTICE OF MEETINGS

- 5.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chair of the Committee or any member of the Committee.
- 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 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, but Committee papers may be forwarded at shorter notice with the approval of the Chair of the Committee.
- 5.3 A duly convened Committee meeting 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.

6 MINUTES OF MEETING

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Chair of the Committee it would be inappropriate to do so.
- 6.3 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

7 ANNUAL GENERAL MEETING

The Chair of the Committee should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

8 DUTIES

- 8.1 The Committee shall carry out the following duties for the Company and its subsidiaries (the "Group") as appropriate:
 - 8.1.1 regularly review the structure, size and composition (including the combination of skills, experience, diversity, independence and knowledge) required of the Board compared to its current position considering the length of service of the Board as a whole, and make recommendations to the Board with regard to any changes.
 - 8.1.2 give full consideration to succession planning for the Board and other senior management in the course of its work, taking into account the challenges and opportunities facing the company, and the skills, diversity and expertise needed on the Board in the future. The definition of "Senior Management" for this purpose should be determined by the Board but should normally include the senior management and other such members of the executive management as the Committee is designated to consider.
 - 8.1.3 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.
 - 8.1.4 keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates.
 - 8.1.5 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
 - 8.1.6 before any appointment is made by the Board, evaluate the combination of skills, knowledge, experience and diversity 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
 - iii. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, ethnicity, cognitive and personal strengths and taking care that appointees have enough time available to devote to the position

- 8.1.7 for the appointment of the Chair of the Board, the Committee should prepare a job specification, including the time commitment expected. A proposed Chair of the Board's other significant commitments should be disclosed to the Board before appointment and any changes to the Chair of the Board's commitments should be reported to the Board as they arise.
- 8.1.8 ensure that the Chair does not remain in post beyond nine years from the date of their first appointment to the Board noting that to facilitate effective succession planning and the development of a diverse board, this period can be extended for a limited time.
- 8.1.9 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.
- 8.1.10 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.
- 8.1.11 review the results of the Board performance evaluation process that relate to the composition and diversity and assessing how effectively members work together to achieve objectives.
- 8.1.12 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.
- 8.1.13 support workforce initiatives that promote a culture of diversity, equity and inclusion.
- 8.1.14 work with and liaise as necessary with all other Board committees.
- 8.2 The Committee shall also make recommendations to the Board concerning:
- 8.2.1 formulating plans for succession for both executive and non-executive directors and Senior Management and in particular for the key roles of chair and chief executive
- 8.2.2 suitable candidates for the role of senior independent director
- 8.2.3 membership of the Audit & Risk and Remuneration Committees, and any other Board committees as appropriate, in consultation with the Chair of those committees
- 8.2.4 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 knowledge, skills and experience required
- 8.2.5 the re-election by shareholders of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the company's articles of association, 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)
- 8.2.6 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
- 8.2.7 the appointment of any director to executive or other office

9 REPORTING RESPONSIBILITIES

- 9.1 The Chair of the Committee 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 make a statement in the Company's Annual Report & Accounts about its activities, to include:
- i. the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline.
 - ii. how the 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 or will influence Board composition.
 - iii. the policy on diversity, equity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives.
 - iv. the gender balance of those in the Senior Management and their direct reports.
- 9.4 The Chair of the Committee, or an alternate member of the Committee will attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

10 OTHER MATTERS

- 10.1 The Committee shall:
- 10.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
 - 10.1.2 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.
 - 10.1.3 give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate.
 - 10.1.4 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.

11 AUTHORITY

The Committee is authorised by the Board to:

- 11.1 obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.
- 11.2 delegate any of its powers to one or more of its members or the Secretary.

These terms of reference shall be made available on the Group's website <https://www.thewosgroupplc.com>

Approved by the Watches of Switzerland Group PLC Board on 4 May 2023