

## **J Sainsbury plc**

### **Nomination Committee – Terms of Reference**

Approved by the Board on 8 September 2016

Note: References to “the Committee” shall mean the Nominations Committee; references to “the Board” shall mean the Board of Directors; references to “the Company” shall mean J Sainsbury plc.

#### **1. Purpose**

- 1.1 The primary function of the Committee is to monitor the balance of skills, knowledge, experience, independence and diversity of the Board and its Committees, and ensure that appropriate procedures are in place for the nomination, selection and evaluation of Directors and for succession plans and development of Executive Directors and senior management.

#### **2. Membership**

- 2.1 The Committee is established as a Committee of the Board and shall comprise at least three directors, each of whom shall be appointed by the Board and the majority whom shall be independent non-executive directors.
- 2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Group Human Resources Director, and external advisers may be invited to attend all or part of any meeting, as and when appropriate and necessary.
- 2.3 Committee members will hold office for an initial period of up to three years, subject to continuing as a director of the Company, and will hold office for such duration as may be determined by the Board.
- 2.4 The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or the Senior Independent Director. The Senior Independent Director shall chair the Committee when it is dealing with the matter of succession to the chairmanship.

#### **3. Secretary**

- 3.1 The Company Secretary or his nominee shall act as the Secretary of the Committee.

#### **4. Quorum**

- 4.1 The quorum necessary for the transaction of business shall be two members one of who should be the Committee Chairman unless he/she is unable to attend.

#### **5. Meetings**

- 5.1 The Committee shall meet at least once a year.

#### **6. Minutes of meetings**

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings.
- 6.2 The Committee minutes shall be circulated promptly to all members of the Committee, and if not members of the Committee, the other Non-Executive Directors of the Company.

## **7. Duties**

The Committee shall:

- 7.1 regularly review the structure, size and composition (including the skills, knowledge, independence, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- 7.2 give full consideration to succession planning and development of directors and other senior executives 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 to ensure the long term success of the Group;
- 7.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- 7.4 before any appointment is made by the Board, evaluate the balance 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. The Committee should: (i) consider candidates from a range of backgrounds; (ii) consider candidates on merit and against objective criteria ensuring that candidates will have enough time available to devote to the position; and (iii) where appropriate, use open advertising or external advisers to facilitate the search;
- 7.5 approve the report of the Committee's activities for inclusion in the Company's Annual Report and Accounts; and
- 7.6 consider any other matters referred to the Committee by the Board.

The Committee shall also make recommendations to the Board concerning:

- 7.7 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive Officer; and
- 7.8 the re-appointment of any non-executive director at the conclusion of their specified term of office, having regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required.

## **8. Reporting responsibilities**

- 8.1 The Committee Chairman shall report to the Board on the Committee's proceedings after each meeting.

## **9. Other matters**

The Committee shall:

- 9.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 9.2 be provided with appropriate training, both in the form of an induction programme for new members and on an ongoing basis for all members; and
- 9.3 once a year consider its own performance and review its membership and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

## **10. Authority**

10.1 The committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.