

Actual Experience plc (the "Company")

Terms of Reference of the Nomination Committee

1. Purpose and Duties

The Nomination Committee (the "**Committee**") shall be responsible for advising the board of directors of the Company (the "**Board**") on the appointment and, if necessary, the dismissal of executive and non-executive directors.

2. Constitution and Membership

2.1 The Committee is a Committee of the Board.

2.2 Members of the Committee shall be appointed by the Board for a period of 3 years, which may be extended for further periods of up to 3 years, provided the relevant director still meets the criteria for membership of the Committee.

2.3 The Chair of the Committee shall be the Chair of the Company unless the Board appoints an independent non-executive director of the Company to be Chair of the Committee. The Chair of the Company shall not chair the Committee when it is dealing with the matter of succession of the Company Chair.

2.4 The CEO of the Company shall be a member of the Committee.

2.5 Members of the Committee other than the Chair and CEO shall be non-executive directors of the Company.

2.6 The Chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chair of the Company.

2.7 A non-executive director of the Company shall not chair the Committee when it is dealing with a matter relating to that non-executive director.

2.8 The Committee shall be made up of at least two members. A majority of the members (or, if and for so long as the Committee has an even number of members, at least half) of the Committee shall be independent).

2.9 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

3. Secretary

The CFO or his or her nominee shall act as secretary of the Committee unless the Chair of the Committee appoints another individual to this position. The secretary of the Committee will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4. Quorum

The quorum necessary for the transaction of business shall be two each of whom must be independent non-executive directors. 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. **Frequency of Meetings**

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

6. **Notice of Meetings**

6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chair of the Committee.

6.2 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 4 business 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.

7. **Minutes of Meetings**

7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

7.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee and to the Chair of the Board and, once agreed, to all other members of the Board, unless it would be inappropriate to do so in the opinion of the Committee Chair.

8. **Annual General Meetings**

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

9. **Duties**

9.1 The Committee shall:

- (a) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- (b) give full consideration to succession planning for 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 in the future;
- (c) 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;
- (d) keep up to date and fully informed about strategic issues and major commercial changes affecting the Company and the market in which it operates;
- (e) be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- (f) 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. In identifying suitable candidates the Committee may:
 - (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;
- (g) for the appointment of a Chair, the Committee should prepare a job specification, including the time commitment expected. A proposed Chair's other significant commitments should be disclosed to the Board before appointment and any changes to the Chair's commitments should be reported to the Board as they arise;
- (h) 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;
- (i) 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;
- (j) review the results of the Board performance evaluation process that relate to the composition of the Board;
- (k) 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
- (l) work and liaise as necessary with all other Board committees.

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

- (a) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chair and the Chief Executive Officer;
- (b) suitable candidates for the role of senior independent director;
- (c) membership of the audit and remuneration 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;
- (e) the re-election by shareholders of directors under the annual re-election provisions of the Quoted Companies Alliance Corporate Governance Code (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 6 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.

10. **Reporting responsibilities**

10.1 The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

10.2 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. **Other matters**

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties;
- (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 Code and the requirements of the AIM Rules for Companies and any other applicable rules, as appropriate; and
- (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.

12. **Advice**

The Committee shall have the authority to seek any information that it requires from any officer or employee of the Company. In connection with its duties the Committee is authorised by the Board to take such independent advice (including legal or other professional advice), at the Company's expense, as it considers necessary, including requests for information from or commissioning investigations by external advisers. The Committee will inform the Board as necessary of such requests.