

## ALLERGY THERAPEUTICS PLC

### TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

Adopted by the Board on 27 June 2018

#### 1 MEMBERSHIP

1.1 The board of directors of the company (the “**Board**”) has resolved to establish a committee of the Board to be known as the Nomination Committee (the “Committee”).

1.2 Membership of the Committee shall consist of at least two members, a majority of whom shall be independent non-executive directors.

1.3 Only members of the Committee have the right to attend committee meetings. However, other individuals such as the Chief Executive Officer, the HR & Development Director and external advisors may be invited to attend all or part of any meeting, as and when appropriate and necessary.

1.4 The members of the Committee shall be appointed by the Board.

1.5 Subject to the normal periodic re-election of directors, a member of the Committee shall serve a term of three years which may be extended for further periods of three years, provided the director still meets the criteria for membership of the Committee.

1.6 The Board shall appoint the Committee chairman who should either be Chairman of the Board or an independent non-executive director. The chairman of the board should not chair the Committee when it is dealing with the matter of succession to the chairmanship. In the absence of the Committee chairman, then the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the board.

#### 2 SECRETARY

The Company Secretary or his or her nominee shall act as the secretary of the committee.

#### 3 QUORUM

A quorum shall be two members of the Nomination Committee, both of whom must be independent non-executive directors.

#### 4 FREQUENCY OF MEETINGS

The committee shall meet at least twice a year and otherwise as required.

#### 5 NOTICE

All reasonable efforts shall be made to give notice of meetings of the Committee to all members and invitees and to arrange such meetings so that all members and invitees are able to attend. No member of the Committee shall attend or form part

of the quorum in relation to any appointment in which he/she has a personal interest.

## **6 MINUTES OF MEETINGS**

6.1 The secretary shall minute the proceedings and resolutions of all committee meetings, including those present and in attendance.

6.2 Draft minutes of committee meetings shall be circulated to all committee members for approval before being circulated to other members of the board, unless it would be inappropriate to do so.

## **7 ANNUAL GENERAL MEETING**

The committee chairman should attend the annual general meeting to answer any shareholder questions on the committee's activities.

## **8 DUTIES**

The Committee shall:

- (a) Regularly review the structure, size and composition (including 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, the executive management in the course of its work, taking into account the challenges and opportunities facing the company and the skills and expertise needed are 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 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 making an appointment, 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 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, taking care that appointees have enough time available to devote to the position.
- (g) for the appointment of a chairman of the Board, the committee should prepare a job specification, including an assessment of the time commitment expected. A proposed chairman's other significant 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 of Board meetings.
- (j) Review the results of the board 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;
- (l) work and liaise as necessary with all other board committees.

The Nomination Committee shall make recommendations to the Board concerning:

- (m) formulating plans for succession for executive management, executive and non-executive directors and, in particular, for the key roles of chairman and chief executive;
- (n) suitable candidates for the role of senior independent director;
- (o) membership of the Audit and Remuneration Committees, in consultation with the chairmen of those committees;
- (p) the reappointment of any non-executive director at the conclusion of his/her specified term of office having regard to his/her performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required;
- (q) the re-election by shareholders of any director under the retirement by rotation provisions in the company's articles of association having regard to his/her performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required and the need for progressive refreshing of the board;
- (r) 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 in accordance with the terms of his/her service contract and/or relevant law; and
- (s) the appointment of any director to any executive or other office.

## **9 REPORTING RESPONSIBILITIES**

9.1 The Committee chairman 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 A summary of the Nomination Committee's duties and work shall be included each year in the company's annual report, including the process used for appointments and an explanation if external advice or open advertising has not been used.

Where an external search agency has been used, it shall 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 include a statement of the board's policy on diversity, including gender, any measureable objectives that it has set for implementing the policy, and progress on achieving these objectives.

## **10. OTHER MATTERS**

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required
- 10.2 be provided with appropriate and timely training
- 10.3 give due consideration to laws and regulations, the provisions of the Corporate Governance Code, the AIM Rules and any other applicable rules, as appropriate
- 10.4 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure that it is operating effectively and recommend any changes it considers necessary to the Board for approval.

## **11. AUTHORITY**

- 11.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee is authorised to seek any information it requires from any employee or director of the company or any consultant or other provider of services to the company. All employees, directors, consultants and other providers of services are directed to co-operate with requests for information made by the Committee including requests to attend meetings of the Nomination Committee.
- 11.2 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other independent professional advice on any matters within its terms of reference.