

# **BT GROUP plc (the “Company”)**

## **NOMINATIONS COMMITTEE**

### **TERMS OF REFERENCE**

Approved by the BT Group plc Board with effect from: 1 September 2021

The Nominations Committee is a committee of the Board of Directors of BT Group plc (the Board), from which it derives its authority.

#### **1. Membership**

- 1.1 The committee shall be made up of at least four members, the majority of whom shall be independent non-executive directors.
- 1.2 Only committee members have the right to attend committee meetings. However, other individuals may be invited to attend for all or any part of the meeting, as and when appropriate.
- 1.3 Members of the committee shall be appointed by the Board.
- 1.4 The Board shall appoint the committee chair who shall be the chair of the Board or an independent non-executive director. In the absence of the committee chair and/or an appointed deputy, the remaining members present shall elect an independent non-executive director to chair the meeting. For matters relating to succession to the Chair of the Board, including appointment, the committee will be chaired by the Senior Independent Director.

#### **2. Secretary**

- 2.1 The Deputy Company Secretary or their nominee shall act as secretary of the committee.

#### **3. Quorum**

- 3.1 The quorum necessary for the transaction of business shall be two, both of whom must be independent non-executive directors.

#### **4. Frequency of meetings**

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

#### **5. Notice of meetings**

- 5.1 Meetings of the committee shall be called by the secretary of the committee, at the request of the committee chair or any of its members.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each member of the committee and any other person required to attend before the date of the meeting. The agenda of items to be discussed and supporting papers shall be sent to committee members and to other attendees as appropriate.

## **6. Minutes of meetings**

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

## **7. Annual general meeting**

- 7.1 The committee chair shall attend the annual general meeting and be prepared to respond to any shareholder questions on the committee's activities. In addition, the committee chair should seek engagement with shareholders on significant matters related to the committee's areas of responsibilities.

## **8. Duties – Board & committees**

The committee shall:

- 8.1 review regularly the structure, size and composition of the Board and its committees in order to ensure an appropriate balance of skills, personal and cognitive attributes, experience, diversity, independence and knowledge, recommending any proposed changes to the Board. This will include keeping under review any diversity policy in relation to the Board, including gender and ethnicity, and any measurable objectives that it has set for implementing the policy;
- 8.2 keep under review the need for appointments to the Board, prepare a description of the specific experience and capabilities needed for each Board appointment with due regard for the benefits of diversity on the Board including gender, consider candidates for appointment as either executive or non-executive directors, and recommend appointments to the Board. Prior to appointment of a director, require the proposed appointee to disclose significant commitments with an indication of the time involved and any possible conflicts;
- 8.3 advise the Board on succession planning for the roles of Chair of the Board, Senior Independent Director, Chief Executive and for all other Board appointments, including the Company Secretary, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board from time to time;
- 8.4 recommend to the Board whether to approve the continuation in office of non-executive directors as appropriate and to recommend to shareholders their election or re-election at the annual general meeting, having due regard to their performance and ability, and why their contribution is important to the Company's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the Board; and
- 8.5 review annually the time required from the Senior Independent Director and the non-executive directors generally to discharge their duties and the amount of time required from each non-executive director to discharge his or her duties in relation to Board and committee meetings and other commitments to the Company;
- 8.6 make recommendations to the Board on the membership of any Board committees, in consultation with the chair of those committees.

## **9. Duties – Executive Committee**

The committee shall:

- 9.1 determine the policy for, consider, and if thought fit agree the taking up of external directorships and other significant external interests by members of the Executive Committee, the CEO Openreach and other senior direct reports to the Chief Executive<sup>1</sup>;
- 9.2 receive reports from the Chief Executive on succession and development plans for Executive Committee members, the CEO Openreach and other senior direct reports to the Chief Executive, receiving a report at least annually and providing input on those plans;
- 9.3 ensure that both appointments and succession plans for members of the Executive Committee, the CEO Openreach and other senior direct reports of the Chief Executive are based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths; and
- 9.4 consider and if thought fit agree appointments to and removals from the Executive Committee, the CEO Openreach and other senior direct reports to the Chief Executive.

## **10. Duties – Openreach Limited Board**

The committee shall:

- 10.1 make recommendations to the Board in relation to the appointment (taking account of the independence criteria agreed with Ofcom and set out in the annex) or removal of the Openreach Chair;
- 10.2 consider recommendations from the Openreach Limited Board in relation to the appointment of the CEO Openreach and make recommendations to the Board on whether to approve or veto the proposed appointee;
- 10.3 make recommendations to the Board in relation to the removal of the CEO Openreach;
- 10.4 make recommendations to the Board in relation to the appointment (taking account of the independence criteria agreed with Ofcom and set out in the annex) or removal of Openreach non-executive directors;
- 10.5 make recommendations to the Board in relation to the appointment or removal of the BT Nominee on the Openreach Limited Board; and
- 10.6 consider recommendations from the Openreach Board on the appointment or removal of the Openreach Executive Director on the Openreach Limited Board (for decision by the Openreach Board).

## **11. Duties – BT Pension Scheme**

- 11.1 The committee shall make recommendations to the Board in relation to the appointment and removal of the Chair and all the Trustee directors of the BT Pension Scheme (BTPS).

---

<sup>1</sup> The Company Secretary shall report any external appointments at the next meeting of the Board.

## **12. Reporting responsibilities**

- 12.1 The committee chair shall report to the Board on its proceedings after each meeting, on all matters within its duties and responsibilities.
- 12.2 The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 12.3 The committee shall produce a report on its activities to be included as a separate section in the annual report. The report shall include:
  - i. the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline;
  - ii. where relevant, 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 and inclusion, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives; and
  - iv. the gender balance of those in senior management and their direct reports.
- 12.4 If an external search consultancy has been engaged, it should be identified in the annual report.

## **13. Other matters**

The committee shall:

- 13.1 have access to sufficient resources in order to carry out its duties, including access to the company secretarial team for advice and assistance as required;
- 13.2 be provided with appropriate and timely training, including an induction programme for new members and on an ongoing basis for all members;
- 13.3 give due consideration to relevant laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate; and
- 13.4 arrange for periodic reviews of its own performance and terms of reference, and recommend any changes it considers necessary to the Board for approval.

## **14. Authority**

The committee is authorised by the Board:

- 14.1 through the Company Secretary or their nominee to seek information it requires from any employee of the BT group in order to perform its duties; and
- 14.2 in consultation with the Company Secretary or their nominee, where necessary to fulfil its duties, to obtain any relevant external legal or other professional advice.

## Annex

The independent non-executive directors of Openreach and the Openreach Chair shall not be:

- (a) an employee or former employee of BT (within the last 5 years);
- (b) a director, senior executive or employee of any communications provider;
- (c) a partner, director or senior executive of any firm, company or organisation providing consultancy or professional services to BT or any other communications provider;
- (d) a person with close family ties to any person falling within the categories set out in (a) to (c) above;
- (e) an Ofcom employee; or
- (f) a material shareholder (directly or indirectly) in BT or any other communications provider.