

## ORNUA CO-OPERATIVE LIMITED

### TERMS OF REFERENCE FOR THE INED NOMINATION COMMITTEE

#### 1. Constitution

- 1.1 The Nomination Committee (the **Committee**) will carry out the duties delegated herein by the Board of Ornua Co-operative Limited (the **Board**) regarding the appointment or reappointment of independent non-executive directors (**INEDs**) as and when a vacancy arises, in accordance with the Rules of Ornua Co-operative Limited (**Ornua**). The Committee is constituted for the duration of the recruitment and selection process and will cease to operate at the conclusion of the process.
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.

#### 2. Role

- 2.1 The role of the Committee is to:

- (a) Ensure that there is a formal, rigorous and transparent policy and procedures in place for the appointment and reappointment of independent non-executive directors (INEDs) to the Board.
- (b) Review and propose to the Board for approval, the policies and procedures for the appointment and reappointment of INEDs.
- (c) Lead the selection process and make recommendations to the Board for the appointment or reappointment of INEDs which are subject to the approval of the Advisory Council.
- (d) Work and liaise with other Board committees, as appropriate (including the Personnel and Remuneration Committee in respect of any remuneration package to be offered to any new appointee of the Board) and ensure that the interaction between committees and between the Committee and the Board is reviewed regularly.

#### 3. Duties and Terms of Reference

The Committee shall carry out the following duties and advise the Board appropriately:

#### 3.1 Composition of the Board

- (a) In the course of its work, review and consider the outcome of any evaluation of the composition (including the skills, experience, independence, knowledge and diversity) of the Board and its committees,

taking account of Ornua's strategic priorities and the matters affecting the organisation, and make recommendations to the Board with regard to any changes that are deemed necessary;

- (b) keep under review the Board leadership needs of the organisation with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

### **3.2 Succession planning**

- (a) Give full consideration to INED succession planning in the course of its work, taking into account the challenges and opportunities facing Ornua and what skills and expertise are therefore needed on the Board in the future;
- (b) satisfy itself that plans are in place for orderly succession for INED appointments to the Board.

### **3.3 Appointments to the Board**

- (a) In the light of the knowledge, skills and experience required, be responsible for identifying and nominating for the Board's approval, candidates from diverse backgrounds to fill INED vacancies as and when they arise;
- (b) Comply with the Policy on the Appointment and Reappointment of Independent Non-Executive Directors outlined in Appendix 1 and ensure that the process for the appointment and reappointment of INEDs outlined in Appendix 2 is followed.

## **4. Membership**

- 4.1 At all times the Committee shall comprise of at least four members. The Chair of the Board will, unless otherwise decided by the Board, act as Chair of the Committee. No INED can be a member of the Committee when the Committee is considering his/her reappointment. In the absence of the Committee Chair, the remaining members present at a meeting of the Committee shall elect one of their number to chair the meeting.
- 4.2 The Company Secretary, or his 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.

## **5. Authority to Engage Advisers**

- 5.1 It shall be open to the Committee to allow an independent adviser to participate in an interview panel if appropriate. The Committee has authority to select, retain

and obtain the advice of an executive search firm as necessary to assist with the execution of the Committee's duties and responsibilities as set forth in these Terms of Reference. The Committee shall set the compensation and oversee the work of the executive search firm. The Committee shall receive appropriate funding from Ornua, as determined by the Committee in its capacity as a committee of the Board, for payment of compensation to its executive search firm and any other advisers. However, the Committee shall not be required to implement or act consistently with the advice or recommendation of its executive search firm and the authority granted in these Terms of Reference shall not affect the ability or obligations of the Committee to exercise its own judgement in the fulfilment of its duties.

## **6. Conflict of Interest**

6.1 Committee Members and invited attendees at each meeting must declare any conflict of interest, potential conflict of interest or apparent conflict of interest in matters that might potentially be considered or, are proposed to be considered, by the Committee.

## **7. Meetings**

7.1 The Committee shall meet as often as deemed necessary or appropriate, in its judgement, to discharge its duties and responsibilities. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair. Meetings of the Committee may be held in-person and/or via telephonic or electronic video conference, and at such times and places as the Chair determines. The Chair may call a meeting of the Committee upon due notice to all other members. Notice by electronic mail shall be sufficient notice. The Committee may also act by written consent signed by all of its members.

## **8. Quorum and Voting**

8.1 The quorum necessary for the transaction of business at a Committee meeting shall be three members. If a quorum is present, a majority of the members present shall decide any matter brought before the Committee. All members shall have full voting rights. In the event of a tie, the Chair shall have a casting vote.

## **9. Reporting**

9.1 The Committee shall report regularly to the Board on the progress of the Committee's work and maintain minutes or other records of the Committee's meetings and activities.

## **10. Confidentiality**

10.1 It is a condition of membership of the Committee that its deliberations and all matters pertaining to its proceedings will be held confidential. Acceptance of membership constitutes an undertaking to adhere to this condition. Members must maintain confidential all information provided to them in their role as a member or attendee. This includes all matters discussed, formally presented, or tabled at meetings of the Committee or such matters associated with dealings of the Committee in carrying out its responsibilities.

## **Appendix 1 – Policy on the Appointment and Reappointment of Independent Non-Executive Directors**

### **Policy Statement**

There should be a formal, rigorous and transparent procedure for the appointment and/or reappointment of independent non-executive directors (INEDs) to the Board of Ornua.

The process should be managed by a Nomination Committee constituted by the Board in accordance with the Committee's Terms of Reference.

The Board's Nomination Committee should lead the appointment process and make recommendations to the Board based on merit, against objective criteria and with due regard for the requisite skills and benefits of diversity on the Board. The Committee should facilitate an inclusive process, incorporating stakeholder perspectives to identify candidates who will support the needs of the business and the member co-operatives.

If an existing INED wishes to be considered for a second term, the Board shall decide, by a confidential and anonymized vote, whether to reappoint the existing INED or to seek a broader pool of candidates from which to choose.

## **Appendix 2 – Process for the Appointment and Reappointment of Independent Non-Executive Directors**

### **1) Nomination Committee**

- (a) Upon the resignation of an existing INED, or no more than six months and no less than three months before the expiry of the term of an existing INED, the Board shall constitute a Nomination Committee (the Committee).
- (b) The Committee shall convene a meeting to discuss the vacancy.

### **2) Needs Analysis**

- (a) The Committee shall review strategic challenges and board member expertise, considering how the industry is evolving and the degree to which the business is prepared.
- (b) The Committee shall consider what skills are needed on the Board to support management in executing the strategic plan.
- (c) If an existing INED is eligible to serve another term, the Committee shall ascertain whether the INED wishes to seek reappointment.
- (d) If yes, the Board shall decide, by a confidential and anonymized vote, whether to reappoint an existing INED for a second term or to seek a broader pool of candidates to choose from. An existing INED cannot vote on their own reappointment.
- (e) In coming to a decision, the Board shall consider the following:
  - i. The contribution of the existing INED during their current term;
  - ii. Their continuing ability to contribute to the Board and to Ornua's long-term sustainable success; and
  - iii. The skills, experience and diversity requirements of the Board.
- (f) If a majority of the Board votes to reappoint an existing INED, that recommendation shall be put to the Advisory Council.

### **3) Search and Selection**

- (a) A job description shall be drafted based on the requirements of the role, outlining the time commitment the position requires along with a person specification.
- (b) The Committee shall consider whether there is a need for a formal search plan or to instruct a professional executive search firm and proceed accordingly. The annual report shall provide a brief rationale for the appointment.

- (c) In identifying suitable candidates, the Committee shall use such methods as it deems appropriate, including the use of open advertising.
- (d) Candidates shall be considered based on merit, against objective criteria and with due regard for promoting the benefits of diversity on the Board, including of gender, social and ethnic backgrounds, and cognitive and personal strengths, taking care that appointees have enough time available to devote to the position.
- (e) A pool of candidates shall be established whose background aligns with the job description.
- (f) Candidates with the appropriate experience and meeting the criteria shall be interviewed.
- (g) The interview outcomes shall be reviewed and if necessary/appropriate a small group of candidates identified for subsequent interviews.
- (h) Before the appointment of an INED, the Committee shall ascertain that the proposed appointee does not have any conflicts of interest that would disqualify the candidate from taking up the position.
- (i) Any significant time commitments of a prospective new director must be disclosed to the Committee before the appointment, including an indication of the amount of time involved.
- (j) The Nomination Committee shall consider whether any prospective directors can be treated as independent for the purpose of compliance with the Plunkett Code. The annual report shall state which directors are considered by Ornua to be independent.
- (k) When a candidate has been identified who has the right skills, values, and cultural fit, an offer shall be extended, contingent on reference checks.
- (l) To inform and manage the long-term succession strategy, it is helpful to discuss tenure at the time of appointment.
- (m) Reference checks and any additional vetting shall be conducted to confirm the candidate's value-add to other boards and their level of expertise.

#### **4) Approval of Appointment**

- (a) The formal process for the appointment of a new independent non-executive director or the reappointment of an existing INED, shall normally involve a meeting of the Nomination Committee which shall approve the proposed appointment and recommend the appointment to the Board.

#### **Fees**

- (b) It is for the Board and/or the Personnel & Remuneration Committee to determine the fees of independent non-executive directors subject to any limits in the Rules. Remuneration for INEDs shall not include share options or other performance-related elements and should reflect the time commitment and responsibilities of the role.

#### **Advisory Council**

- (c) The Board is then required to pass a resolution to recommend the appointment to the Advisory Council for its approval in accordance with the Rules of Ornua.

### **5) Post Appointment**

#### **Appointment Letter**

- (a) The Committee shall ensure that on appointment to the Board, INEDs receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service, involvement outside Board meetings and the induction process.
- (b) The Committee shall ensure that an appointment letter is signed with effect from the date of appointment.

#### **Training and Induction**

- (c) The Committee shall ensure that all new INEDs undertake an appropriate induction programme to ensure that they are fully informed about Ornua's main areas of business activity, including those involving significant risk, and the strategic priorities and commercial issues affecting Ornua and the markets in which it operates as well as their duties and responsibilities as a director.

#### **Company Records**

- (d) The Secretary shall ensure that the company's books are updated to reflect the appointment.