

# Nominations and Governance Committee Report



**Stuart Sinclair**  
Chair of the Nominations and Governance Committee

**“The Committee has led the process to refresh the Board’s composition ensuring it comprises the right level of experience and expertise to deliver on the Group’s strategy.”**

## Committee members

**Stuart Sinclair**, Chair

**Deborah Davis**, Independent non-executive director

**Richard Holmes**, Independent non-executive director

**Gerard Ryan**, Executive director and Chief Executive Officer

The table below shows the number of meetings held and the directors’ attendance during 2022.

| Committee member             | Scheduled meetings <sup>1</sup> | No. of meetings attended | % of meetings attended |
|------------------------------|---------------------------------|--------------------------|------------------------|
| Stuart Sinclair              | 6                               | 6                        | 100%                   |
| Deborah Davis                | 6                               | 6                        | 100%                   |
| Richard Holmes               | 6                               | 6                        | 100%                   |
| John Mangelaars <sup>2</sup> | 6                               | 4                        | 67%                    |
| Gerard Ryan                  | 6                               | 6                        | 100%                   |
| Aileen Wallace <sup>3</sup>  | -                               | -                        | -                      |

### Notes

1. The scheduled meetings that each individual was entitled to and had the opportunity to attend.
2. John Mangelaars was unable to attend the July and December meetings due to unforeseen circumstances and stepped down from the Board in December 2022.
3. Aileen Wallace was appointed a member of the Committee on her appointment to the Board in December 2022.

## Dear shareholder,

On behalf of the Committee, I am delighted to introduce its report for the year ended 31 December 2022, covering its role and responsibilities, a review of its activities during the year and progress made against the objectives set at the start of 2022.

## Role of the Committee

The Committee is responsible for reviewing the composition of the Board and leading the process on proposed appointments to the Board and senior leadership. Following this, the Committee makes recommendations to the Board ensuring that both appointments and succession plans are based on merit and objective criteria and, within this context, promote diversity of gender, social and ethnic background, and cognitive and personal strengths. The Committee is also responsible for ensuring that the Board and its Committees consist of directors with the appropriate balance of skills, experience, diversity, independence and knowledge to enable it to discharge its duties and responsibilities effectively. Finally, the Committee will keep the Board’s governance arrangements under review and make appropriate recommendations to the Board to ensure that its arrangements are consistent with relevant corporate governance standards and best practice.

## Committee composition and Board changes

The composition of the Committee’s membership remained unchanged during the year, until Aileen Wallace’s nomination as a member in place of John Mangelaars, was approved by the Board in December 2022.

The Board welcomed Chief Financial Officer, Gary Thompson, who joined the Board in April 2022, following the departure of CEO, Justin Lockwood in July 2021. Bronwyn Syiek and John Mangelaars stepped down in July and December respectively and, following a rigorous selection process were replaced by Katrina Cliffe and Aileen Wallace also in July and December, respectively. I would like to reiterate my thanks to both Bronwyn and John for their significant contributions during their tenure.

## Activities in 2022

The Committee met six times during the year and a range of matters were considered with composition of the Board and succession planning regular topics for discussion. In the second half of the year particular focus was on recruitment to fill the two Board positions vacated by Bronwyn in July and John in December, resulting with the appointment of Katrina and Aileen, respectively. The Committee undertook its annual review of the Board Diversity policy which was updated to recognise the recommendations of the Parker Review on the ethnic diversity of Boards, with this to be considered when recruiting new Board members. The Committee considered the FCA’s final policy decision on measures to improve transparency of the diversity of company boards and executive management, issued in April 2022. The policy sets out the rule changes for disclosures in relation to gender and ethnic diversity which will become effective for next year’s financial statements

In September, following Katrina's appointment, the Committee recommended her appointment as the Workforce Engagement Director to meet with the requirements of the 2018 UK Corporate Governance Code, and this was subsequently confirmed by the Board. This role had been fulfilled by Bronwyn Syiek until she stepped down from the Board in July. The role's objective is to enable the Board to understand the views of the Company's workforce. Finally, I would like to highlight the governance framework review undertaken in the latter part of the year, as described in my introduction to the Governance Report. The Committee's Terms of Reference have been amended to better reflect the requirements of the 2018 UK Corporate Governance Code and current market good practice. The main changes are highlighted further below. The Committee has also been renamed to reflect its new wider remit to oversee the Board and Board Committee governance arrangements.

### Recruitment and succession planning

The Committee recognises the importance for the Board to anticipate and prepare for the future and to ensure that the skills, experience, knowledge and perspectives of the directors and members of the senior leadership team reflect the changing demands of the business. We have a strong talent pipeline, which considers the core competencies and capabilities for potential future leaders, comprising many high-performing individuals. When considering succession plans, the Committee and the Board are cognisant of the need to ensure that a diverse range of individuals are included. We believe that the range of perspectives provided by a diverse and inclusive organisation such as IPF, which are also reflective of the communities we serve, gives us a competitive advantage.

The Committee leads the Board's annual session dedicated to succession planning as well as a mid-year review as part of the Group-wide talent mapping exercise to ensure robust succession plans. During 2022, the Committee and the Board affirmed the appointment of a number of key senior management positions as the business continued to strengthen its talent pipeline. Appointments were made across all three of our business units, further adding to the diversity of backgrounds, experiences and cultures within the business. These also included several notable female appointments demonstrating our commitment to developing supporting greater gender balance in the Group. In line with our commitment to develop future leaders, the Board oversaw the introduction of the Global Leaders Connect programme. This programme is an important means of investment in our key talent to meet the Group's strategy.

### Board appointments and diversity

During the year, the Committee reviewed and re-approved the Board Diversity policy, a copy of which is available on our website at [www.ipfin.co.uk](http://www.ipfin.co.uk).

## Progress against 2022

### Key objectives

- Board composition and succession planning regularly reviewed.
- Appointment of two new independent non-executive directors.
- The re-election of the directors at the 2022 AGM.
- Reviewed the Board Diversity Policy.
- Reviewed and updated the Committee's Terms of Reference.

### Key objectives for 2023

- To keep under review the Board composition and succession planning.
- To oversee the implementation of the recommendations from the external Board evaluation review.
- To keep under review the governance framework and make recommendations for improvement where appropriate.

The policy includes a set of measurable objectives as part of the approach for selecting candidates to consider for appointment to the Board, and also provides a high-level indication of the approach to diversity in senior leadership roles. In identifying suitable candidates, the Committee will consider people talent on merit against objective criteria and with due regard for the benefits of diversity on the Board. The Board will aim to ensure that:

- it considers candidates from a wider pool including those with little or no listed company board experience;
- non-executive director 'long lists' will include 50% female candidates;
- it only engages executive search firms which have signed up to the voluntary Code of Conduct on both gender and ethnic diversity and best practice; and
- the Board comprises at least two female directors.

The Board places great emphasis on ensuring that its membership reflects diversity in its broadest sense and which appropriately represents the Group's operations, the geographies in which we operate, our strategic plans and customer base.

The membership of our Board is also diverse geographically with nationals from Australia and Ireland as well as the UK. This diversity aids the Board's discussions and decision-making processes, given the international nature of our business. The Committee's work on diversity and inclusion is aligned closely with succession planning activities delivered through our talent management processes to improve the depth, quality and diversity of the Company's talent. Diversity is also built into Group policies as appropriate and as a business operating in different countries, collaboration between our international operations is a central dynamic of our culture. Diversity and inclusion is about treating people fairly, equitably and without bias, creating conditions that encourage and value diversity and promote respect, dignity and belonging. This is embedded in our culture and values.

The Board continued to support initiatives undertaken in 2022 to encourage greater gender balance for female employees across the Group and further information on the Group's approach to diversity, together with diversity statistics, are set out on page 45.

Finally, I am pleased to report that with the appointment of our third female non-executive director, we have exceeded the target of 33% female representation on the Board, as recommended by the Hampton-Alexander Review: FTSE Women Leaders.

### **Responsibilities of the Committee**

Following the detailed governance review, the Committee's Terms of Reference were refreshed to better align with the 2018 Corporate Governance Code and best market practice. The Committee's responsibilities include:

- regularly reviewing Board composition and the balance of skills, knowledge, experience and diversity to ensure the continued ability of the Company to be successful and deliver on its purpose;
- reviewing the results of the annual Board effectiveness assessments and determining what actions should be taken to further enhance the effectiveness of the Board and its Committees;
- determining when appointments and retirements are appropriate, and lead any director searches ensuring formal, rigorous and transparent processes;
- giving full consideration to succession planning and overseeing the development of a diverse pipeline for succession at Board and senior management levels;

- ensuring that effective, deliberate and well thought through succession planning and contingency planning processes are in place across the Group for all key positions;
- ensuring the Group continues to have the necessary level of Board and senior management skills and leadership to deliver the strategy;
- providing oversight of the directors, in terms of independence, conflict of interests, external appointments and any other matters which could impact the continuance in office and recommendation to the shareholders for election or re-election;
- keeping the Board's governance arrangements under review and making recommendations to the Board, as appropriate, to ensure that relevant corporate governance standards and best practice continue to be followed; and
- reporting to the Board a summary of the matters, recommendations and actions agreed after each of its meetings.

### **Committee evaluation**

An external Board effectiveness review was undertaken at the end of 2022 and the Committee's performance was assessed as part of this. The results of the evaluation indicated that the Committee had operated effectively throughout the year, with particular strengths highlighted relating to chairing, support and reporting (which was the case for all Board Committees). The evaluation reflected that the Committee was felt to be chaired well, that it received strong support and did a good job of reporting on what it did.

### **Annual re-election of directors**

As in previous years, Board members will stand for election or re-election by shareholders at the 2023 AGM. All non-executive directors are considered independent in accordance with UK requirements, and they continue to make effective contributions, constructively challenge management and devote sufficient time to their role. Accordingly, all directors are proposed for re-election or election, in the case of Katrina Cliffe and Aileen Wallace. Further details are contained in the Notice of Meeting circulated to shareholders.

**Stuart Sinclair**

1 March 2023