

NOMINATION COMMITTEE REPORT

**Dear Shareholder,
I am pleased to report to you on the main activities of the Committee and how it has performed its duties during 2023.**



Committee composition



Will Truman



Alison Littlely



Frank Nelson



Kate Allum



Iraj Amiri



Angela Rushforth*

* Appointed on 1 February 2024.

2023 has continued to be a period of transition for the Board and senior management. The changes in leadership are described in this report, and I am pleased that we have been able to attract such high calibre individuals into the Company.

A key responsibility of the Committee is to ensure orderly Board succession and this has remained the Committee's main focus during 2023.

Following a successful search process in 2022, Darren Waters joined the Board as Chief Executive Designate in April 2023 and subsequently took over as Chief Executive in May 2023, following Mark Kelly's retirement at the 2023 AGM. Martyn Coffey also stepped-down from the Board at the 2023 AGM.

On the recommendation of the Committee, Will Truman was appointed as a new independent Non-executive Director immediately following the AGM and brings strong commercial expertise, as well as a wealth of experience in stakeholder management and M&A.

The Committee also continues to consider succession planning for the Board in the medium-term and, mindful that Frank Nelson intends to step-down from the Board at the 2024 AGM after nine years of service, Alison Littlely will take over the role of Senior Independent Non-executive Director at that date. Furthermore, the search process for a replacement Board member commenced in 2023, with diversity and ethnicity considerations noted as important priorities. As a result, and on the recommendation of the Committee, Angela Rushforth was appointed as a new independent Non-executive Director in February 2024 and brings significant branch network experience and insights from both multi-site retail and merchandising.

In addition, the Committee has continued to oversee the ongoing development and evolution of the Executive Committee. Bruce Stephen (Group Human Resources Director) left the business at the end of 2023 and goes with our best wishes. Catherine (Cat) Hambleton-Gray joined as People Director in January 2024 and is a highly experienced HR practitioner, having previously held senior leadership roles with (inter alia) Halfords and Costa Coffee.

Finally, I would like to thank my fellow Board and Committee members who have served throughout the year, for their valuable contribution and support.

Derek Mapp

Chair of the Nomination Committee

19 March 2024



I am pleased that we have been able to attract such high calibre individuals into the Company.”

NOMINATION COMMITTEE REPORT CONTINUED

Role and responsibilities:

The principal duties of the Nomination Committee are to:

- Regularly review the structure, size and composition of the Board (including its skills, knowledge, experience, length of service and diversity) and make recommendations to the Board with regard to any changes
- Identify and nominate, for approval by the Board, candidates to fill Board vacancies
- Review the time commitments required from Non-executive Directors, along with the number of external directorships held, to ensure all duties are being fulfilled
- Maintain an effective succession plan for the Board and senior management considering the challenges and opportunities facing the Company, along with the skills and expertise needed in the future, while promoting diversity of ethnicity, gender, background and skills.

Summary of activities during the year

The Nomination Committee met two times during the year and attendance at the meetings is shown on page 82.

The main activities of the Committee included:

- The introduction of Darren Waters as Chief Executive Designate and subsequently as Chief Executive, ensuring a smooth handover of responsibilities
- The search, selection and recruitment of Will Truman and Angela Rushforth as Non-executive Directors, taking account of the required skill sets and experience for the Board's composition
- Continued succession planning for the Board, given Frank Nelson's intention to step-down at the 2024 AGM (in accordance with the Code)
- Overseeing the ongoing development of the Executive Committee and recruitment of Cat Hambleton-Gray as People Director
- Considering the results of the external evaluation of the Committee's effectiveness (see page 81 for further details)
- A review of Directors' time commitments and independence
- Consideration of the re-election of Directors at the Annual General Meeting
- Approving updates to the Committee's terms of reference.

Nomination Committee members

During 2023, the Nomination Committee comprised:

Chair:

Derek Mapp

Committee members:

Frank Nelson
Martyn Coffey (to 11 May 2023)
Kate Allum
Alison Littley
Iraj Amiri
Will Truman (from 15 May 2023)

All members of the Committee served throughout the year, unless otherwise stated.

The Code recommends that a majority of the Nomination Committee be Non-executive Directors, independent in character and judgement and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgement. The Board considers that the Company complies with the Code in this respect.

Only members of the Committee have the right to attend Committee meetings, but the Committee may invite others, including the Group Human Resources Director and external advisers, to attend all or part of any meeting if it thinks it is appropriate, necessary, or pursuant to the terms of any agreement with shareholders.

The Nomination Committee will meet as often as it deems necessary but, in accordance with its terms of reference, at least twice a year.

Diversity and inclusion

All Board and senior management appointments are made on merit, in line with the approach adopted throughout the Group's workforce. The Board recognises and embraces the benefits of diversity and, in particular, the value that different perspectives and experience bring to the quality of debate and decision making.

The Board recognises the Group operates in a historically male-dominated industry but is committed to consider diversity as a key element in senior appointments. The table below summarises the progress made, and that we expect to make in the near future, against each of the FCA's board diversity targets:

FCA target		At 31 December 2023	At the date of approval of this report	At the conclusion of the forthcoming 2024 AGM
% of women on the Board	At least 40%	25% ¹	33% ¹	38% ¹
Number of senior Board positions ³ held by women	At least 1	— ¹	— ¹	1 ²
Number of Board members from an ethnic minority background	At least 1	1 ²	1 ²	1 ²

1 FCA target not met.

2 FCA target met.

3 Senior board positions are Chair, Chief Executive, Senior Independent Director or Chief Financial Officer.

At 31 December 2023, being the chosen reference date, the Group met one of the three FCA diversity targets. Following the appointment of Angela Rushforth, on 1 February 2024, the proportion of women on the Board increased from 25% to 33%. At the conclusion of the 2024 AGM in May 2024, following Frank Nelson's retirement and Alison Littlely becoming Senior Independent Non-executive Director, the Group will have met two of the targets and will be very close to meeting the remaining other one.

The relatively small size of the Board and the pre-existing Directors' service contracts have inevitably limited the pace of change but, nevertheless, as vacancies arise, the Board will continue to move towards the FCA's targets wherever possible.

However, the overriding policy in any new appointments will continue to be one of selecting candidates with an appropriate mix of skills, capabilities and market knowledge, to ensure the continued success of the business.

NOMINATION COMMITTEE REPORT CONTINUED

Details of the Board and Executive Committee's gender/ethnicity is as follows:

Gender representation					
At the date of approval of this report	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
Men	6	67%	4	3	60%
Women	3	33%	—	2	40%
Total	9	100%	4	5	100%
At 31 December 2023	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
Men	6	75%	4	3	75%
Women	2	25%	—	1	25%
Total	8	100%	4	4	100%
At 31 December 2022	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
Men	6	75%	4	5	83%
Women	2	25%	—	1	17%
Total	8	100%	4	6	100%
Ethnicity representation					
At the date of approval of this report	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
White British or other White (including minority-white groups)	8	89%	4	5	100%
Other ethnic group, including Arab	1	11%	—	—	—
Total	9	100%	4	5	100%
At 31 December 2023	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
White British or other White (including minority-white groups)	7	88%	4	4	100%
Other ethnic group, including Arab	1	12%	—	—	—
Total	8	100%	4	4	100%
At 31 December 2022	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
White British or other White (including minority-white groups)	7	88%	4	6	100%
Other ethnic group, including Arab	1	12%	—	—	—
Total	8	100%	4	6	100%

The above data was collected on the basis of self-reporting by the individuals concerned who were asked to select their gender/ethnicity from a list of options derived from the FCA's template.

During the year, Paul Walker stepped down from the Executive Committee in order to focus on his Group company secretarial and other responsibilities and Bruce Stephen (Group Human Resources Director) left the business at the end of 2023. Cat Hambleton-Gray joined as People Director and member of the Executive Committee in January 2024 and Angela Rushforth was appointed to the Board as a Non-executive Director in February 2024.

The gender balance of those in the senior management and their direct reports is included within the Sustainability Report on page 40.

Succession planning

In 2023, the Committee continued its proactive work on succession planning for the Board and senior management.

As part of this process, a detailed review of the composition, skills and experience of the Board, and each of its Committees, has been undertaken to develop desired role profiles and identify the preferred attributes to be sought in future appointments.

All appointments to the Board are subject to a formal, rigorous and transparent appointment process, and are made based on merit and objective criteria. The process for these appointments is typically as follows:



As part of the development of the Executive Committee, the Nomination Committee has continued to consider succession planning for senior management, in order to maintain an appropriate balance of skills, experience and diversity within the Company in line with our strategy. This ongoing planning process includes an analysis of any succession gaps or risks identified and includes contingency plans for the sudden or unexpected departure of Executive Directors or other senior managers.

The benefits of this proactive approach are illustrated by the ongoing evolution of the Executive Committee, ensuring the Company is well placed, with the best people and the right balance of skills to secure future success. During 2023, the successful recruitment of Cat Hambleton-Gray as People Director supports our People First strategic pillar and reflects our commitment to gender diversity wherever possible.

In summary, we are confident that the Board has a good understanding of succession planning across the Group and the range of measures being used to continue to develop and recruit talented senior employees.

Derek Mapp

Chair of the Nomination Committee

19 March 2024