

# Nominations Committee

## Terms of Reference



### **Nominations Committee - Terms of Reference**

#### **1. Role**

The Nominations Committee ("the Committee") is, in the first instance, a committee of the Members' Council of the Performing Right Society Limited. It also carries out a number of duties at the request of directors of its subsidiary, PRS for Music Limited (the "Board").

The Committee is advisory in respect of aspects of Chief Executive and Senior Management appointments, terminations and succession planning. Senior Management roles are defined as those both reporting to the Chief Executive and forming part of the Senior Management team of the company.

The Committee oversees succession planning for, and the appointment of, independent Non-Executive Directors (iNEDs), and advises and makes recommendations to the Members' Council and Board regarding the appointment of iNEDs to the Board and Members' Council (and the Council and Board committees).

The Committee also advises and makes recommendations to the Members' Council regarding the appointment of writer and publisher members of the Council to the Board and the appointment of writer and publisher members (or observers) to the Council and Board committees.

#### **2. Specific duties**

Taking into account all factors deemed necessary, including relevant legal and regulatory requirements, the Committee shall:

- i. Recommend the appointment and/or termination of the Chief Executive to the Members' Council and Board (subject to ultimate Members' Council approval).
- ii. Manage the selection process for the appointment of a new CEO including, where an external appointment is being considered, the appointment of an executive search firm, if required.
- iii. In response to recommendations from the CEO, provide advice on changes to the structure and composition of the Senior Management team (including appointments and terminations).
- iv. Review development plans for the Chief Executive (including plans for emergency or forced succession) and recommend these to the Board.
- v. Led by the CEO, review succession plans for the Senior Management team (including plans for emergency or forced succession) for recommendation to the Board.
- vi. Advise and make recommendations to the Members' Council regarding (a) the appointment and re-appointment of writer and publisher members of the Council to the Board, including those appointments necessary to fill any casual vacancies occurring, and (b) any casual vacancies on the Members' Council.
- vii. Give full consideration to succession planning for iNEDs (including the Chair of the Board) and for the President, Chair and Deputy Chair of the Members' Council.
- viii. Manage recruitment processes for iNED appointments (including the Chair of the Board) and advise and make recommendations to Members' Council and Board (subject to ultimate Members' Council approval).
- ix. Advise and make recommendations to the Members' Council and Board (subject to ultimate Members' Council approval) regarding the re-appointment of iNEDs at the conclusion of their specified term of office.
- x. Advise and make recommendations to the Members' Council regarding the appointment of Council members to serve on this Committee and the Remuneration and Audit committees (consulting with the chairs of the Audit and Remuneration committees).

- xi. Advise and make recommendations to the Board regarding the appointment of Council members to serve on the Licensing Committee and Distribution Committees (consulting with the chairs of those committees).
- xii. In all advice and recommendations relating to Senior Management, Board and Members' Council appointments, support Members' Council efforts to broaden the governance of the Performing Right Society with the aim that it reflects the diversity of its members and take this into account together with the challenges and opportunities facing PRS for Music (and, therefore, what skills and expertise are needed on the Management, Board and Members' Council in the future).
- xiii. Review relevant results of regular Board evaluations and reviews undertaken into the effectiveness of the Members' Council (ie those results relating to composition and succession planning) with a view to finding ways to address any lack of diversity, particularly as this relates to the diversity of PRS members and the need for all members' to be properly represented at Members' Council and Board level.
- xiv. Review annually the composition of the Members' Council, Board and their respective committees and associated succession plans (including plans for emergency or forced succession).
- xv. Review annually the time required of non-executive directors to fulfil their Members' Council and Board duties.
- xvi. Work and liaise as necessary with the other committees of the Members' Council to ensure that the interaction between committees and with the Members' Council and Board is reviewed regularly.

Writer and publisher members of the Committee are expected to liaise with their writer and publisher (respectively) colleagues on the Members' Council prior to recommendations being made relating to the appointment of writers and publishers to the Board and to the Members' Council and Board committees.

### **3. Authority & Reporting**

Approvals are required for the Committee's recommendations as follows:

- i. The Members' Council will approve:
  - Appointment of writer and publisher Members' Council members to the Board;
  - Appointment of the Chair of the Board, President, Chair and Deputy Chair of the Members Council;
  - Appointment of iNEDs to the Members' Council and Board – the former being subject to approval by PRS Members at a general meeting;
  - Appointments to fill casual vacancies occurring in the Members' Council and Board;
  - Subject also to ratification at an annual general meeting in certain circumstances (by reference to the Companies Act 2006), the appointment and associated terms and conditions of the CEO;
  - Changes to these Terms of Reference.
- ii. The Board will approve:
  - Succession plans for the CEO and Senior Management.

The Committee is authorised by the Members' Council to secure legal or other specialist advice at PRS for Music's expense on any matters within its terms of reference.

Reports of each meeting will be prepared for the subsequent Members' Council meeting by the Company Secretary or their nominee. These will cover the nature and content of the Committee's discussion, decisions and recommendations, and action to be taken. Reports will also be prepared for the Board as required.

### **4. Composition**

The Committee will comprise up to three of the four iNEDs on the Members' Council plus:

- Two writer members of the Members' Council
- Two publisher members of the Members' Council

Nomination Committee members are appointed by the Members' Council on the recommendation of this Committee (following liaison between the writer and publisher

members of this Committee and their writer and publisher colleagues on the Council). The initial term is three years and two further three-year terms may be served provided the individual still meets the criteria for membership of the Committee.

Committee members are expected to attend Committee meetings on a regular basis. In the event of three absences, the Chair may review with the Committee Member their capacity to continue serving on the Committee to fulfil their director's duties.

The following will attend individual meetings by invitation:

- The CEO
- Chief People Officer/equivalent

Other representatives of Management may be invited to attend meetings in full/part as dictated by each agenda.

External advisers may also be invited to attend for all or part of any meeting when appropriate or necessary.

## **5. Chair**

The Committee will be chaired by either the Chair of the Board or an iNED. The Committee Chair will be appointed by the Members' Council and, if possible, should already have served on a nominations committee for at least 12 months. The term of office is three years and two further term of three years may be served.

In the absence of the Chair, the other members of the Committee present may decide which of the other iNEDs on the Committee will chair the meeting.

The Committee Chair shall be accountable to the Members' Council for the running of the Committee and the decisions it makes.

The Committee Chair will be responsible for presenting reports in line with Paragraph 3 above and for securing Members' Council or Board approval for Committee recommendations.

The Committee Chair shall attend PRS annual general meetings to answer members' questions relating to nominations.

## **6. Conflicts of Interest**

Committee members will not be present where their presence represents a conflict of interest.

## **7. Meetings**

There will be a maximum of three scheduled Committee meetings per annum.

Additional meetings will be arranged at the behest of the Chair or another Committee member as required.

All meetings may take place by telephone/video conference if the Chair deems this appropriate (for example, if an urgent decision or guidance is required).

## **8. Quorum**

In order for the Committee to conduct business, the following Committee members must be present in person or available to participate by telephone or video conference:

- Two iNEDs
- One writer
- One publisher

## **9. Decision-making**

The Committee functions primarily in an advisory role but where a decision is required, it is the responsibility of the Committee to endeavour to achieve consensus in meetings, and

to ensure that agreement is reached. When consensus cannot be reached the matter should be put to a vote and such decisions will be made by a simple majority. If the vote is split, the meeting Chair has the casting vote. For the avoidance of any doubt, only Committee members will be entitled to vote and not those invited to attend the meeting in question.

Where a decision needs to be taken outside of a meeting by way of a written resolution, unanimity will be required.

#### **10. Review**

A report outlining the activities of the Committee shall be prepared and presented to the Members' Council on an annual basis.

These Terms of Reference will also be reviewed by the Committee on an annual basis to ensure that the Committee is operating effectively and within its mandated authority. Any changes must be approved by the Members' Council.

#### **11. Administration**

The Company Secretary or their nominee will be secretary to the Committee and provide advice and assistance as required.

Papers will be circulated a minimum of seven days in advance of scheduled meetings, and with as much notice as is reasonably practicable in advance of emergency meetings.

Minutes (including the names of those present and in attendance) will be circulated to the Committee Chair within 10 working days of the meeting, and to all Committee members within 14 days of the meeting. Members' Council members will be entitled to view Committee minutes on request.

#### **12. Other matters**

Committee members will be provided with appropriate and timely training, including an induction programme for new members.

Prior to the commencement of each year, Management shall discuss with the Chair the programme of Committee work for the year and proposed timetable, which will be kept under review.

Management will ensure that the Committee Chair has been fully briefed in advance of each meeting.

Committee members are expected to keep up to date and informed about strategic issues and commercial changes affecting the Company and the market in which it operates.

***Date approved:*** 29 November 2023

***Next review due:*** November 2024