

## **Nomination and Governance Committee**

### **Terms of Reference**

Approved by the Board on 6 March 2025

Note: References to “the Committee” shall mean the Nomination Committee; references to “the Board” shall mean the Board of Directors; references to “the Company” shall mean J Sainsbury plc, and references to the “Code” shall mean the applicable UK Corporate Governance Code.

#### **1. Purpose**

- 1.1 The primary function of the Committee is to assist the Board in fulfilling its responsibilities in relation to the composition, succession and performance review of the Board and its Committees and ensuring that an appropriate governance framework is in place and compliance with laws, regulations and governance best practice

#### **2. Constitution**

- 2.1 The Committee was constituted as a committee of the Board in accordance with article 100 of the articles of association of the Company.
- 2.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 2.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including without limitation, the establishment of sub-committees which are to report back to the Committee.

#### **3. Membership**

- 3.1 The Committee is established as a Committee of the Board and shall comprise the Chair of the Board, the Senior Independent Director and other Non-Executive Directors, each of whom shall be appointed by the Board, with at least three Directors. The majority of the Committee shall be independent non-executive directors.
- 3.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Group Human Resources Director, and external advisers may be invited to attend all or part of any meeting, as and when appropriate and necessary.
- 3.3 Committee members will hold office for such duration as may be determined by the Board.

- 3.4 The Chair of the Board will chair the Committee, except when it meets to discuss the Chair of the Board's succession or performance. In any such case, or in the Chair of the Board's absence, the Senior Independent Director will chair meetings of the Committee.

## **4 Secretary**

- 4.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

## **5 Quorum**

- 5.1 The quorum necessary for the transaction of business shall be two independent Non-Executive Directors. Either the Chair of the Board or the Senior Independent Director must be present.

## **6 Meetings**

- 6.1 The Committee shall meet at least twice a year and will hold ad hoc meetings as required.

## **7 Minutes of meetings**

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings.
- 7.2 The Committee minutes shall be circulated promptly to all members of the Committee, and if not members of the Committee, the other Non-Executive Directors of the Company.

## **8 Duties**

### **8.1 Nomination and Succession**

The Committee shall:

- 8.1.1 regularly review the structure, size and composition (including the skills, knowledge, independence, experience, diversity and future composition) of the Board and its Committees and make recommendations to the Board with regard to any changes;
- 8.1.2 ensure plans are in place for orderly succession to the Board and senior management positions, and monitor the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board to ensure the long-term success of the Group;
- 8.1.3 Ensure appointments and succession plans are based on merit and objective criteria and promote diversity, inclusion and equal opportunity;
- 8.1.4 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;

- 8.1.5 before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. The Committee should consider candidates from a range of backgrounds having due regard to the benefits of diversity on the Board and ensuring that candidates will have enough time available to devote to the position;; and where appropriate, use open advertising or external advisers to facilitate the search;
- 8.1.6 maintain and review at least annually, a skills matrix which sets out particular skills and experience collectively of the Board;
- 8.1.7 periodically review and approve the Group's Diversity and Inclusion Strategy, to ensure that it aligns with the Group's strategic priorities and oversee that the spirit of the strategy is embedded within the Group's culture;
- 8.1.8 review at least annually the Board Diversity and Inclusion policy and initiatives, and as agreed with the Board, monitor the gender and ethnic balance within the leadership pipeline and review progress against the Company's diversity and inclusion objectives;
- 8.1.9 review at least annually, the Group's Talent Management programme;
- 8.1.10 review annually the time commitment required of Non-Executive Directors and evaluate whether Non-Executive Directors are committing enough time to fulfil their duties;
- 8.1.11 consider any other matters referred to the Committee by the Board.
- 8.1.12 The Committee shall also make recommendations to the Board concerning:
  - 8.1.12.1 any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved;
  - 8.1.12.2 suitable candidates as new directors;
  - 8.1.12.3 the appointment of the Chair of the Board, the Senior Independent Director and the Chair of each of the Board Committees;
  - 8.1.12.4 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chair of the Board and Chief Executive Officer;
  - 8.1.12.5 the re-appointment of any non-executive director at the conclusion of their specified term of office, having regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required; and

8.1.12.6 the re-election by shareholders of Directors under the annual re-election provisions of the UK Corporate Governance Code (the “Code”), 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, taking into account the length of service of individual Directors, the Chair and the Board as a whole.

## **8.2 Governance**

The Committee shall:

8.2.1 keep under review and approve changes to the Board’s governance framework, including monitoring the Group’s compliance with applicable legal, regulatory and listing requirements and recommending to the Board such changes or additional actions as it deems necessary;

8.2.2 consider in light of governance best practice and developing consensus, proposals on:

8.2.2.1 the role of the Board and its Committees;

8.2.2.2 the corporate governance framework;

8.2.2.3 delegation of authority and authority levels;

8.2.2.4 the role of Chair of the Board, Group Chief Executive Officer, Senior Independent Director and the Non-Executive Directors;

8.2.2.5 matters reserved for the Board;

and make recommendations to the Board about any changes;

8.2.3 conduct an annual review of the Conflicts of Interest Register and review any disclosure relating to conflicts of interest to be made public;

8.2.4 make recommendations to the Board on the independence of Non-Executive Directors and the individual’s ability to perform their duties independently without undue influence from other persons, the number of responsibilities and consequent call on the time of the individual concerned;

8.2.5 monitor, and to require Directors and proposed appointees to the Board to disclose, (i) any conflict, or possible conflict, with the interests of the Group and (ii) significant commitments, with an indication of the time involved;

- 8.2.6 commission an annual performance review of the effectiveness of the Board, and each Committee of the Board, and the contribution of each Director, with the results being reported to the Board; such review to be externally facilitated at least once every three years. Periodically review progress against the action plan to address the results;
- 8.2.7 review compliance against Corporate Governance reporting disclosure requirements and recommend to the Board for approval the Corporate Governance Report for inclusion in the Annual Report and Accounts; and
- 8.2.8 have oversight of the subsidiary governance framework and regulatory control environment through periodic updates.

## **9 Reporting responsibilities**

- 9.1 The Committee Chair shall report to the Board on the Committee's proceedings after each meeting on the nature and content of its discussion, recommendations and actions to be taken; and

The Committee shall approve the report on its activities in the Company's annual report which should include all disclosure requirements in accordance with the Code.

## **10 Other matters**

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 10.2 be provided with appropriate training, both in the form of an induction programme for new members and on an ongoing basis for all members; and
- 10.3 give due consideration to the provisions of the Code and all applicable laws and regulations. Including the Companies Act 2006 and the requirements of the FCA's Listing, Prospectus and Disclosure and Transparency Rules. When appropriate, the Committee will also consider proposed revisions to legislation or guidance affecting the governance of the Group and its material subsidiaries.

## **11 Authority**

- 11.1 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.