

# VPC Specialty Lending Investments PLC (the "Company")

## Nominations Committee

### Terms of Reference

Definitions:

References to the "**Committee**" shall mean the Nominations Committee.

References to the "**Board**" shall mean the board of directors of the Company.

#### **1 Membership**

**1.1** The Committee shall comprise the entire Board, provided they are all independent non-executive directors. Members of the Committee shall be appointed by the Board, on the recommendation of the Committee and in consultation with the chairman of the Committee (the "**Committee Chairman**").

**1.2** The Board shall appoint the Committee Chairman who shall be the Chairman of the Board or alternatively, an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

**1.3** Appointments to the Committee shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the director continues to be independent.

**1.4** Only members of the Committee have the right to attend Committee meetings and vote. However, other individuals may be invited by the Committee to attend for all or part of any meeting, as and when appropriate and necessary. All invitees who attend shall not have the right to vote.

**1.5** The Chairman should not chair the meeting when it is dealing with the appointment of a successor to the chairmanship.

#### **2 Secretary**

**2.1** The company secretary or their nominee shall act as the secretary of the Committee (the "**Committee Secretary**") and shall attend all its meetings.

**2.2** The Committee shall have access to the services of the Secretary on all Committee matters including: assisting the Chairman in planning the Committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information.

#### **3 Quorum**

**3.1** The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

#### **4 Frequency of Meetings**

**4.1** The Committee shall meet as frequently as the Committee Chairman shall require and also at regular intervals to deal with routine matters and, in any event, not less than once in each

financial year. Any member of the Committee may request a meeting if he/she considers that one is necessary or expedient.

- 4.2** Annually it will consider whether or not directors retiring by rotation should be put forward for re-appointment at the Annual General Meeting and will review the statement in the Company's Annual Report and Accounts concerning the Committee function.

## **5 Notice of Meetings**

- 5.1** Meetings of the Committee shall be called by the Committee Secretary at the request of any of its members.

- 5.2** Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **6 Minutes of Meetings**

- 6.1** The Committee Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

- 6.2** The Committee Secretary shall also ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

- 6.3** Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chairman it would be inappropriate to do so.

## **7 General Meetings**

- 7.1** The Committee Chairman should attend the Company's General Meetings to respond to any shareholder questions on the Committee's activities.

## **8 Duties**

The Committee shall:

- 8.1** annually review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make any changes as necessary.

- 8.2** give full consideration to succession planning of directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future.

- 8.3** be responsible for identifying, either directly or through the Investment Manager, and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.

- 8.4** before an appointment is made, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:

- use open advertising or the services of external advisers to facilitate the search if considered necessary and appropriate.

- consider candidates from a wide range of backgrounds.
  - consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.
- 8.5** ensure that, on appointment to the Board, directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.
- 8.6** review the results of the board performance evaluation process that relate to the composition of the board.
- 8.7** review annually the time required from directors. Performance evaluation should be used to assess whether the directors are spending enough time to fulfil their duties.
- 8.8** keep under review the leadership needs of the Company, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.
- 8.9** keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- 8.10** consider and approve the appointment of any director or officer other than to the position of Chairman which would be considered at a meeting of the full Board.

The committee shall also make recommendations to the board concerning:

- 8.11** formulating plans for succession for non-executive directors, taking account of the need to have at least one director with recent and relevant financial experience, and in particular for the key role of the Chairman of the Board and its Committees.
- 8.12** suitable candidates for the role of Senior Independent Director, if one is to be appointed.
- 8.13** membership of the Audit and Valuation Committee, Management Engagement Committee, and this Committee, in consultation with the Chairman of the Audit and Valuation Committee, Management Engagement Committee and this Committee respectively and subject to the approval of the Board.
- 8.14** the re-appointment of any director at the conclusion of his or her specified term of office, having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.
- 8.15** consider any recommendation to shareholders concerning the re-election of any director under the 'retirement' provision in the Company's Articles of Association, having due regard to his or her performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board.
- 8.16** consider any matters relating to the continuation in office of any director at any time, including the suspension or termination of service of a director subject to the provisions of the law and their letter of appointment, if any.

## **9 Reporting Responsibilities**

- 9.1** The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

- 9.2** The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3** The Committee shall make a statement in the Company's Annual Report about its activities, the process used to make appointments and, when appropriate, explain if external advice or open advertising has not been used. Where an external agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company.
- 9.4** The report referred to in 9.3 above should include a statement of the Board's policy on diversity, including gender, any measureable objectives that it has set for implementing the policy, and progress on achieving the objectives.
- 9.5** The Chairman of the Committee should be prepared to respond to any questions which may be raised by shareholders at the Annual General Meeting on matters concerning the Committee's functions.

## **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 timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 10.3** give due consideration to laws and regulations the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate.
- 10.4** arrange for annual reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 10.5** make publically available its terms of reference explaining clearly the role of the Committee and the authority delegated to it by the Board.

## **11 Authority**

The Committee is authorised by the Board:

- 11.1** to investigate any activity within its terms of reference.
- 11.2** to seek any information it requires from any director of the Company, or any consultant or other provider of services to the Company, in order to perform its duties.
- 11.3** to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and, within any budgetary constraints imposed by the Board, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help it fulfil its duties.
- 11.4** to call anyone to be questioned at a meeting of the Committee as and when required.

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