

# NOMINATIONS COMMITTEE REPORT

MEMBERSHIP	SINCE
Angus Cockburn (Chair)	2021
Aedamar Comiskey	2014
Justin Atkinson	2018
Inken Braunschmidt	2019
Kash Pandya	2021
Claire Hawkings	2022
Shian Jastram	2024

## Key objectives

Reviewing the composition of the Board and succession planning.

## Key responsibilities:

- To regularly review the structure, size and composition of the Board (including skills, knowledge, diversity, independence and experience) and recommend any changes.
- Succession planning for Directors and senior executives, taking into account the challenges and opportunities facing the Company and the skills and expertise therefore needed in the future.
- Identifying and nominating candidates for Director positions, for approval by the Board.

The Committee's terms of reference are available on the Group's website. The Committee meets at least three times a year. During 2023, the Committee met four times.

The Committee reviews the leadership and succession needs of the Company and ensures that appropriate procedures are in place for selecting, nominating, onboarding, training and evaluating Directors.

Overall, our objective is to ensure that the Board has Directors with a broad range of knowledge, skills and experience to ensure the team works together effectively in discharging its responsibilities, including in relation to corporate governance. We recognise the benefits of a diverse Board and senior leadership team, including diversity of skills, sector experience, background, gender, and ethnicity.

## 2023 in review

During 2023, the following Board membership changes were considered by the Committee:

- On 1 December 2023, Duncan Kennedy stepped down from the Board as Group Chief Financial Officer, and Karen Hayzen-Smith joined the Board as Group Chief Financial Officer on the same date. Karen Hayzen-Smith has considerable experience working in the energy and defence sectors and a strong track record across all aspects of finance leadership. This, combined with an expertise at driving successful turnarounds, brings considerable strength to our Executive Team. I would also like to take this opportunity to thank Duncan Kennedy

for his considerable contribution to James Fisher during his tenure as CFO, helping to navigate the Group through some challenging events, in particular the 2023 refinancing.

- On 1 March 2024, Shian Jastram joined the Board as an Independent Non-Executive Director. She brings a wealth of invaluable international experience to the Board in operational and transformational leadership roles in the renewables sector, including offshore wind and green hydrogen.

We are pleased to welcome Shian Jastram to the Board. We look forward to harnessing her expertise in the energy transition, as we continue to build a stronger, more sustainable business for the future.

## Board appointments and succession planning

The Committee leads the process for Board appointments and makes recommendations to the Board within its agreed terms of reference. Appointments are made having regard to the balance of skills and experience of current Directors as well as the diversity of the Board in respect of multiple characteristics, including gender, thought and ethnicity. The Committee adopts a formal, rigorous, and transparent procedure for the appointment of new Directors to the Board, working with independent executive search consultants.

During 2023, the Committee sought support from specialist executive search consultants. Lygon Group assisted with the appointment of Karen Hayzen-Smith. Lygon Group was instructed to search for Executive candidates who were established finance leaders with extensive knowledge of the sectors in which the Group operates and proven experience of leading companies through turnaround situations. Korn Ferry assisted with the appointment of Shian Jastram and was instructed to search for Non-Executive Director candidates with global industry knowledge, particularly in renewables and offshore wind. Lygon Group and Korn Ferry have no connection with the Company (other than assisting with recruitment), nor with any individual Director.

The graphic on page 85 sets out an example of the selection and appointment process undertaken by the Nominations Committee, in this case leading to the appointment of Shian Jastram to the Board as an Independent Non-Executive Director.

The Committee keeps under regular review Board succession planning. During the year, the Committee considered Aedamar Comiskey's forthcoming retirement from the Board, as well as the appointment of her successors as Senior Independent Director and Remuneration Committee Chair. In the interests of an orderly handover of responsibilities, the Committee recommended to the Board the appointment of Claire Hawkings as Senior Independent Director and Inken Braunschmidt as Remuneration Committee Chair, both with effect from 9 November 2023. Following her appointment as Remuneration Committee Chair, Inken stepped down as the designated Independent Non-Executive Director for Workforce Engagement and was succeeded by Kash Pandya, with effect from 1 January 2024, following the recommendation of the Committee.

The timing of these changes has allowed for an effective transition, particularly as we will be putting the revised Directors' remuneration policy forward for the approval of our shareholders at the AGM in May. Aedamar and Inken worked together on the shareholder consultation process on executive remuneration which typified how well the Remuneration Chair process has gone. Claire has also made an impressive start to her tenure as Senior Independent Director providing helpful counsel to me on a number of issues.

During the year, the Chief HR Officer briefed the Committee on the Group's talent review and actions undertaken in relation to the Group's senior leaders to ensure a diverse pipeline and effective succession planning for the Board and Executive Committee.

## Director induction, training and development

As Chairman, I am responsible for the formal induction of all new Directors, assisted by the Company Secretary. Each new Director is provided with the necessary background materials to familiarise themselves with the Group, and meetings are arranged with other members of the Board, Executive Committee members, senior leadership and the Company's external advisers.

Site visits to businesses around the Group are arranged to provide a deeper understanding of the Group's operations, risks and strategic priorities. A detailed induction programme is being undertaken by Karen Hayzen-Smith and Shian Jastram, which includes training from the Company's external legal advisers on directors' responsibilities, the Corporate Governance Code and Market Abuse Regulation, as well as in-person site visits and management meetings at the Group's key sites.

Assisted by the Company Secretary, I am also responsible for the Board's training and professional development. Directors were provided with presentations during 2023 on topics such as sustainability reporting, investor relations, developments in corporate governance and financial reporting, as well as Directors' remuneration. Directors will continue to receive regular training updates from appropriate internal and external specialists on governance and risk issues, and on financial and reporting standards. In addition, Directors are fully aware of their own responsibility for identifying and satisfying their own specific training requirements. In 2023, the Board visited key sites, and had management and employee engagement meetings, in order to deepen the Board's understanding of the operations of the Group's businesses and teams.

## Board composition and time commitment

There were eight Directors on the Board as at 31 December 2023, comprising the Non-Executive Chairman, Chief Executive Officer, Chief Financial Officer and five Independent Non-Executive Directors. The names and biographical details of the members of the Board are set out on pages 77 to 79.

The Board judged the Non-Executive Chairman to be independent at the time of his appointment and the Board considers all other Non-Executive Directors to be independent under the terms of the Code.

Under the Code, the reasons for the Board permitting its members to enter into significant new external appointments should be explained in the Annual Report. On 26 October 2023, the Company announced the appointment of Angus Cockburn as a Non-Executive Director of BAE Systems plc (BAE), with effect from 6 November 2023. It was also announced that he would step down as a Non-Executive Director of STS Global Income & Growth Trust plc (STS) at its 2024 AGM. The Board considered his proposed new role at BAE noting that he would shortly be stepping down from his role at STS, and concluded that he would continue to have sufficient time to commit to the Company in his role as Chairman.

When considering Karen Hayzen-Smith's appointment as Chief Financial Officer, the Board noted her appointment as Governor of Oxford Brookes University and Chair of Audit Committee. The Board concluded that this appointment was not strictly comparable to a non-executive directorship role at a publicly listed company in terms of time commitment, and therefore would not compromise her ability to dedicate appropriate time and diligence to her role as CFO.

## Directors standing for election or re-election

The Committee discussed and unanimously recommended that each of the Directors should be put forward for election or re-election by the shareholders at the AGM scheduled for 30 May 2024, with the exception of Aedamar Comiskey who will retire at the conclusion of the AGM. In making this recommendation the Committee members (with each Committee member recusing themselves from the discussion and recommendation in relation to their own re-election) have evaluated each Director in terms of their performance, their commitment to the role and their capacity to discharge their responsibilities in an effective manner given their other time commitments and responsibilities.

## Board evaluation

The Board carries out a Board and Committee evaluation each year, and in 2021, the Board appointed the Chartered Governance Institute (CGI) to undertake an external evaluation. The CGI has no other connection to the Company or any individual Director.

For 2023, the Board undertook an internal evaluation of its own performance, and that of the Remuneration, Nominations and Audit Committees, and the Chairman, supported by the Company Secretary. The results of the 2023 evaluation and resulting actions are set out in the graphic on page 83.

Following the internal evaluation, the Committee believes the Board functions effectively and efficiently, and is appropriate for a Group of its size. The Committee considers that each Director demonstrates the knowledge, ability and experience required to perform the functions of a director of a listed company and is of the calibre necessary to support and develop the Company's long-term strategy and success.

## Process leading to the appointment of Shian Jastram

- The Nominations Committee agreed a detailed candidate profile for a new Independent Non-Executive Director, setting out the capabilities and experience required.
- Korn Ferry was appointed by the Committee to support the process and identify candidates fitting the agreed profile.
- The Nominations Committee appointed the Chairman to work with Korn Ferry on the process to appoint a new Independent Non-Executive Director, regularly reporting back to the Committee on progress.

- Following engagement, Korn Ferry created a long list of potential candidates, which was shared by the Chairman with the Nominations Committee.
- The Nominations Committee agreed a shortlist of candidates to be invited for interview by members of the Committee and the Group CEO.

- Following the interviews, each person who had met with the shortlisted candidates provided feedback to the Chairman.
- The Nominations Committee discussed the feedback received and the relative merits of each candidate.
- The Committee agreed to recommend to the Board that Shian Jastram be appointed as Independent Non-Executive Director.
- The Board approved the appointment, to take effect on 1 March 2024.

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The Committee also considers that no individual or small group of individuals dominates discussions or the decision-making process. With these findings in mind, it is not expected that the Board evaluation will influence Board composition in the short-term.

## Diversity and inclusion

James Fisher recognises the importance of diversity of thought, skills and experience in the effective functioning of the Board, its Committees and the wider organisation. This diversity may arise from any number of sources, including differences in age, gender, ethnicity, disability, sexual orientation, cultural background and religious belief.

The Board's intention is to maintain diversity in all its senses in its own constitution, and to encourage the same throughout the organisation. The Board Diversity Policy is a policy which acknowledges the importance of diversity and includes an explicit requirement to take into account diversity when considering appointments to the Board.

The Board and its Committees are committed to ensuring that all have an equal chance of developing their careers within our Group. The Board had regard to the Board Diversity Policy during the appointment process of Shian Jastram, particularly the need to maintain gender balance on the Board and appoint candidates with international exposure, to promote the Company's strategic aims.

The promotion of a diverse and inclusive workplace by recruiting where we work, enforcing pay parity, and celebrating the uniqueness of individuals and their communities is one of the key foundations of the Group's sustainability policy. During the year, the Board and the Committee have discussed with the Chief HR Officer the progress made on implementing initiatives to promote diversity and inclusion throughout the Group. More detail on the progress of those initiatives can be found on page 38.

There has been progress in increasing the international and gender diversity of the Group's senior management group, but the Company is aware that more needs to be done to improve the gender and ethnic mix in the leadership population. The Board supports the aims of the FTSE Women Leaders and Parker Reviews and is mindful of the targets specified by recent updates to the Listing Rules. The data required by Listing Rule 9.8.6 as at 31 December 2023 is set out in the table below. The data is collated by the Group's HR function and confirmation provided by the Board and Executive Management. As demonstrated below, as at 31 December 2023, the Company met all three of the Board-level targets set by the Listing Rules:

- More than 40% of the Board were women (50%).
- Two of the four senior positions on the Board were held by women (CFO and SID).
- One of the directors was from an ethnic minority background.

The Chief Executive Officer chairs an Executive Committee of nine people, with women representing 33% of the Executive Committee as at 31 December 2023. Apart from creating a forum to bring together a range of specialist skills and experience it also acts as a platform for our succession strategy into the future.

## 2024 priorities

The Committee's priorities for 2024 are:

- Considering the key skills, experience and requirements for succession planning for the Board.
- Reviewing the succession planning process for the Executive Committee and senior leadership positions.
- Accelerating the Group's progress towards increasing the relative diversity in senior management positions.
- Conducting an external Board evaluation.

## Angus Cockburn Chair of the Nominations Committee

16 April 2024

### Gender representation of the Board and Executive Management as at 31 December 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management <sup>(1)</sup>	Percentage of executive management
Men	4	50%	2	7	70%
Women	4	50%	2	3	30%
Not specified/ prefer not to say	–	–	–	–	–

### Ethnic background of the Board and Executive Management as at 31 December 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management <sup>(1)</sup>	Percentage of executive management
White British or other White (including minority-white groups)	7	88%	4	10	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	12%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/ prefer not to say	–	–	–	–	–

1. For the purposes of the Listing Rules, "executive management" is defined as the executive committee or most senior executive or managerial body below the board, including the company secretary but excluding administrative and support staff. At James Fisher, "executive management" therefore comprises the Executive Committee and the Company Secretary (even though the Company Secretary is not a member of the Executive Committee).