

# Nominations Committee report

## MEMBERSHIP

	SINCE
Angus Cockburn (Chair)	2021
Michael Salter (until 5 May 2022)	2013
Aedamar Comiskey	2014
Justin Atkinson	2018
Inken Braunschmidt	2019
Kash Pandya	2021
Claire Hawkings	2022

## 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, independence and experience) and recommend any changes.
- Succession planning for Directors and senior executives of both the Company and the operating businesses, 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 Board positions, for approval by the Board.

The Committee's terms of reference are available on the Group's website.

Meets at least three times a year. During 2022 the Nominations Committee met four times.

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

Overall, our objective is to ensure that the Board is balanced, with the Directors having 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.

## 2022 in review

During 2022 there were the following changes in membership of the Board:

- On 1 January 2022, Claire Hawkings joined the Board as a Non-Executive Director. Claire is a Non-Executive Director and Chair of the ESG Committee of Ibstock Plc, a market-leading manufacturer of clay and concrete building products, as well as a Non-Executive Director of Defence Equipment and Support, a Bespoke Trading Entity and Arm's Length Body of the Ministry of Defence and Non-Executive Director and Chair of the Responsible Business Committee of FirstGroup Plc. Claire has over 30 years' experience in the energy sector, where she held a variety of international leadership positions, most recently with Tullow Oil plc, and prior to that with BG Group plc and British Gas plc.

- On 5 May 2022, following the Company's AGM, Michael Salter (Non-Executive Director) retired from the Board, as reported in last year's report; and
- On 5 September 2022, Eoghan O'Lionaird stepped down from the Board and as Group Chief Executive Officer, and Jean Vernet joined the Board as Group Chief Executive Officer. Jean joined the Company from Smiths Group, where he was Chief Executive Officer of its largest division, John Crane.

I would like to take this opportunity to thank both Mike Salter and Eoghan O'Lionaird for their service to the Company. Mike's experience and knowledge of the oil and gas and marine industries were of huge benefit to James Fisher during his nine years on the Board. Eoghan made a considerable contribution to James Fisher during his tenure as CEO, helping to navigate the Group through some challenging events, not least the COVID pandemic.

We were pleased to welcome Claire Hawkings to the Board at the beginning of the year. Claire's significant experience of the energy sector is extremely valuable to the Board. Jean Vernet, who joined the Board in September, has considerable experience working in the offshore energy sector in both the UK and globally. Prior to his role at Smiths Group, Jean spent a decade in various financial and market facing roles with energy services business, Schlumberger, and five years as Chief Financial Officer of Expro, the offshore energy services provider, where he played a key role in its successful turnaround.

## 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, including gender 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 2022, the Committee sought support from a specialist executive search consultant. Lygon Group assisted with the appointments of both Claire Hawkings and Jean Vernet. With respect to Jean's appointment, Lygon Group was instructed to search for Executive candidates who were established business leaders with extensive energy sector knowledge, and proven experience of leading companies through turnaround situations. Lygon Group has no connection with the Company (other than assisting with recruitment), nor with any individual Director.

The graphic on page 87 sets out an example of the selection and appointment process undertaken by the Nominations Committee, in this case leading to the appointment of Jean Vernet to the Board as Chief Executive Officer.

The Committee keeps under regular review succession planning at the Executive Director level and supports succession planning at senior management levels to ensure a diverse pipeline. The Chief HR Officer has also briefed the Committee on the talent review and actions undertaken in relation to the Group's top management positions.



## Director induction, training and development

As Non-Executive Chair, I am responsible for the formal induction of all new Directors, assisted by the Group 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, the Group General Counsel, Group Company Secretary, and members of the Executive Committee.

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 was undertaken by Jean Vernet and Claire Hawkings, which included training from the Company's external legal adviser 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 Group Company Secretary, I am also responsible for the Board's training and professional development. Directors were given presentations during 2022 on topics such as impacts of the war in Ukraine, sustainability reporting, developments in health safety practice and regulatory action, insurance, 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 2022, 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 2022, comprising the Non-Executive Chair, 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 80 to 81.

The Company judged the Non-Executive Chair to be independent at the time of his appointment and 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 24 January 2022, the Company announced that Claire Hawkings had been appointed Non-Executive Director of FirstGroup Plc. The Committee keeps under review the time commitments of the Directors to ensure that they have sufficient time to discharge their duties effectively. As part of the process of the appointment to the Board of Claire Hawkings, the Committee assessed the time commitments required by her other roles. It then also considered her proposed new role at FirstGroup Plc and concluded that she would continue to have sufficient time to commit to James Fisher. In considering Claire Hawkings' external commitments, the value of Claire's international, leadership and sector experience was taken into account alongside her existing external appointments when approving the additional appointment. Jean Vernet has no external appointments.

## 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 14 June 2023. 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/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. Further details of the 2021 external evaluation were set out on pages 84 and 85 of the 2021 Annual Report. The resulting actions have all been implemented in full, with the exception of implementation of the review of risk management, which is in the process of being implemented, and will be completed in 2023.

For 2022, the Board undertook an internal evaluation of its own performance, and that of the Remuneration, Nominations and Audit Committees, and the Chair, supported by the Company Secretary. The evaluation picked up on some of the key actions from the 2021 CGI review. The results of the 2022 evaluation and resulting actions are set out in the graphic on page 85.

## Process leading to the appointment of Jean Vernet

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

- Following engagement, Lygon Group created a long list of potential candidates, which was shared by the Chair with the Nominations Committee.
- The Nominations Committee agreed a shortlist of candidates to be invited for interview by members of the Committee, the Group CFO and the Chief HR Officer.
- Lygon Group arranged interviews for that group with the shortlisted candidates.

- Following the interviews, each person who had met with the shortlisted candidates provided feedback to the Chair.
- The Nominations Committee discussed the feedback received and the relative merits of each candidate.
- The Committee agreed to recommend to the Board that Jean Vernet be appointed as Chief Executive Officer.
- The Board approved the appointment, to take effect on 5 September 2022.

## Nominations Committee report cont.

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. The Committee also considers that no individual or small group of individuals dominates discussions or the decision-making process.

### 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 is committed to ensuring that all have an equal chance of developing their careers within our Group.

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 46.

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, against which we are required to report from next year, and which we are voluntarily reporting on this year in line with good practice.

We have eight Directors on our Board, of whom three are women. The female representation on the Board as at 31 December 2022 was therefore 37.5%. We acknowledge that this falls slightly below the target of 40% specified in the new Listing Rule.

As noted on page 86, all appointments to the Board are made having regard to the balance of skills and experience of current Directors as well as the diversity on the Board, including gender.

The position of Senior Independent Director is (and as at 31 December 2022 was) held by a woman, Aedamar Comiskey.

The Board has one Director from an ethnic minority background (12.5% as at 31 December 2022).

The Chief Executive Officer chairs an Executive Committee of 10 people, with women representing 20% of the Executive Committee at 31 December 2022. 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. Within the wider leadership team, being the Executive Committee and those reporting to members of the Executive Committee, there are 33 women (2021: 28), representing 24%. Further information about the Company's approach to diversity and inclusion is set out in the Strategic report at page 46.

### 2023 priorities

The Committee's priorities for 2023 are:

- to consider the key skills, experience and requirements for succession planning for the Board;
- to keep under review succession planning at the Executive Director level and to support succession planning at senior management level; and
- to monitor the Group's progress towards increasing the relative diversity in senior management positions.

### Angus Cockburn Chairman of the Board and Nominations Committee

28 April 2023