

# NOMINATION COMMITTEE REPORT



## A diverse and effective Board

**GRAHAM MARTIN**  
CHAIR OF THE NOMINATION COMMITTEE

### PRINCIPAL RESPONSIBILITIES OF THE COMMITTEE:

- Regularly reviewing the structure, size, composition and length of service of the Board and making recommendations to the Board with regards to changes considered advisable;
- Assessing the effectiveness and performance of the Board and Committees including consideration of the balance of skills, knowledge, independence, diversity and experience of the Board and Committees, and other factors relevant to its effectiveness;
- Considering succession planning for Directors and other Senior Executives, taking into account the challenges and opportunities facing the Group, what skills and expertise are needed in the future, and ensuring a diverse pipeline for succession;
- Identifying, and nominating for the approval of the Board, candidates for appointment as Directors and ensuring that there is a formal, rigorous and transparent procedure for appointment;
- Reviewing the results of the Board performance evaluation process that relate to the composition of the Board, its diversity and how effectively the members of the Board work together; and
- Reviewing periodically the time input required from a Non-Executive Director.

The standard terms of contract for Non-Executive Directors are available on request from the Company Secretary, at the Company's registered office during normal business hours, and at the AGM (for 15 minutes prior to the meeting and during the meeting).

See the Committee's terms of reference at <https://www.kenmareresources.com/en/about-us/corporate-governance/nominations-committee>

I am pleased to present the report of the Nomination Committee for 2021. During the year, the Committee met four times and the main areas of focus were changes to the Board, which included assessing the skills and experience of existing Board members, diversity on the Board, the composition of the Board's Committees, and Board and Committee evaluations. This report describes how the Committee has fulfilled its responsibilities during the year under its Terms of Reference and under the relevant requirements of the UK Corporate Governance Code 2018.

### MEMBERSHIP AND MEETINGS

In May 2021, Gabriel Smith retired from the Board. On 31 December 2021, Peter Bacchus resigned from the Board, Deirdre Somers joined the Committee in his place and I took over the Chair. As a result, the Nomination Committee now consists of myself, Elaine Dorward-King and Deirdre Somers, all of whom are Independent Non-Executive Directors. Gabriel Smith and Peter Bacchus attended all of the Committee meetings held in 2021 during the periods in which they were members of the Committee.

### Committee membership

Name	Role	Independent	Date of Appointment to Committee	Meetings Attended
Graham Martin	Chair	Yes	25/05/2017	4
Elaine Dorward-King	Member	Yes	13/05/2020	4
Deirdre Somers	Member	Yes	31/12/2021	N/A

## Succession and changes to the Board this year

During 2021, the Committee considered the structure, size, skills and composition of the Board and its Committees. The Committee maintains a skills matrix of the current Board to identify areas for enhancement and to highlight skills that may be required, or which need to be replaced due to Board retirements. In early January 2021, the Committee considered that the Board would be enhanced by the appointment of an additional Director with suitable expertise in sub-Saharan Africa, natural resources technology or capital projects, all areas which it was felt would strengthen the Board.

An external recruitment consultant, The Effective Board LLP (which has no connection with the Company other than its involvement in previous searches), was engaged to assist in the process which resulted in the co-option of Mette Dobel to the Board with effect from 1 January 2022. This process is outlined on page 94. Mette is currently Regional President, Europe, North Africa, Russia/CIS for FLSmidth, an engineering, equipment and service solutions provider to the global mining and cement industries. She holds a Masters in Engineering and a Bachelor of Science (Commercial) from Københavns Teknikum.

In March 2021, Tim Keating, a Non-Executive Director, stepped down from his role with Oman Investment Authority (OIA), which controls African Acquisition S.à.r.l. (AAS) one of Kenmare's largest shareholders and which had nominated Tim to the Kenmare Board. As a result, he stepped down from the Kenmare Board and AAS nominated Sameer Oundhakar in his place. The Committee reviewed Sameer's suitability for the role and recommended that his appointment to the Board proceed. Sameer joined OIA in 2018 and is a Senior Manager in the Diversified Private Equity Investments department of OIA. He has a Bachelor's degree with distinction in Mechanical Engineering from VJTI Mumbai, a Post Graduate Diploma in Management from the Indian Institute of Management Lucknow and an MBA from INSEAD.

In 2021, the Committee together with the Managing Director also led the search for a new Chair of the Board noting that Steven McTiernan would have completed nine years on the Board on 11 March 2022. This was a long and important process as it was necessary to find a candidate who not only possessed the necessary leadership qualities and corporate expertise but who would also work well with the existing Board. The Effective Board LLP was also engaged to assist in this search which culminated in the appointment of Andrew Webb as a Non-Executive Director and Chair designate on 2 December 2021. Andrew brings extensive natural resources and financial advisory experience to the Board. He was previously a Managing Director at Rothschild & Co. in the Global Advisory team, where he worked for 25 years until September 2018. It has been agreed that Steven's tenure will be extended by two months to the Annual General Meeting of the Company in May this year to allow for Andrew to gain more experience of the operation of the Board and its Committees (especially given the difficulty in holding physical meetings due to COVID-19 restrictions).

These three appointments have brought mining technology and automation, private equity and financial advisory skills and expertise as well as additional gender and ethnic diversity and diverse geographical experience to the Board.

Ensuring that the Board continues to have the requisite skills to support the Company's strategy will remain a priority for my tenure as Chair. I will also focus on the strategy for further enhancing the Board's diversity. As shown on page 74, there is a good range of terms of tenure on the Board with five Non-Executive Directors in their first term of three years; two in their second term and Steven McTiernan completing his final term of three years.

## Training

2021 saw the launch of an online training platform for Kenmare staff which was extended to Directors later in the year. This covers legal and regulatory areas such as market abuse regulation, data protection and whistleblowing as well as internal company policies and procedures. This will allow Directors to update and refresh their knowledge in their own time. Directors are also encouraged to undertake appropriate external training on relevant matters.

In addition, external experts may be invited to attend certain Board or Committee meetings to address the Board (or relevant Committee, as the case may be) on relevant industry matters and on developments in corporate governance, risk management and executive remuneration.

## Succession

Each year the Committee considers the leadership needs of the Group and succession planning for senior management roles including the Managing Director and Financial Director.

During the year, the Committee received updates from management on succession planning activities through the Group. Board members regularly engage with members of the senior management team who present at Board and strategy meetings.

## Committee composition

During the year, the Committee considered and made recommendations to the Board regarding several changes to the composition of the Board's Committees. In May, following the retirement of Gabriel Smith from the Board at the Annual General Meeting, Deirdre Somers took over the role of Chair of the Audit & Risk Committee and joined the Remuneration Committee as a member. Following the resignation of Peter Bacchus on 31 December 2021, I assumed the role of Chair of this Committee, Deirdre Somers became a member of this Committee, Clever Fonseca joined the Remuneration Committee, and Elaine Dorward-King joined the Audit & Risk Committee. The current committee memberships of each Director are set out on pages 76 to 77.

## Diversity and inclusivity

Kenmare recognises the benefits of diversity and its objective to achieve greater diversity at Board and senior management level, as well as across the wider workforce. This is supported by the Group's Diversity and Inclusion Policy which can be found at <https://www.kenmareresources.com/en/sustainability/policies>.

The Board keeps this policy under review to ensure that it is effective in achieving diversity in its broadest sense, having regard to experience, age, gender, religious beliefs, sexual orientation, race, ethnicity, disability, nationality, background and culture and instructs any search consultants it engages to consider this in sourcing candidates. We recognise that



Read more about **diversity** on page 53



Read more about **the annual board evaluation** on page 86

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diversity aids implementation of our strategy by providing the Board with different ways to tackle an issue, healthy debate and challenge of the Board and the executive team as well as making Kenmare more adaptable to changes in our environment.

While the Board will always seek to appoint candidates on merit against objective criteria, greater diversity is actively considered when making Board appointments. Gender and diversity will continue to be given careful consideration when shortlisting candidates as part of the process of Board refreshment and renewal, as it was in 2021. Following the appointment of Mette Dobel to the Board with effect from 1 January 2022 and following Steven McTiernan's retirement from the Board at the 2022 Annual General Meeting, female representation on the Board will be one third.

The recent external evaluation (details of which are on page 86) found that Board has a reasonable level of diversity and that the Board has and continues to demonstrate strong commitment to improving diversity in terms of ethnicity/ geography, gender and age. The issue of diversity will be reviewed by the Board later in the year when it has completed a period of adjustment following the appointment of a new Chair and other Non-Executive Directors.

The Board and Executive Management is committed to increasing female representation in senior leadership positions across the Group. The Group is also making progress with this objective, with 20% of the Executive Committee being female and a further 6 women in their direct reports.

The Board and management continue to focus on evolving and implementing strategies for recruiting and developing colleagues in ways that promote diversity and inclusion.

## Additional Directorships

During the year, Peter Bacchus was appointed as a Non-Executive Director of Trident Royalties plc and Sameer Oundhakar was appointed as a Non-Executive Director of Kore Potash plc. Prior to accepting these appointments, both Peter and Sameer discussed the matter with either the Chairman of the Board or the Board itself which was satisfied that the responsibilities resulting from these new positions would not adversely impact on their respective time commitments to Kenmare, would not result in a conflict of interest and would be likely to enhance their respective abilities to contribute to the long-term success of the Group.

## Board effectiveness

In accordance with provisions of the Code, a performance evaluation of the Board is carried out annually and facilitated externally every third year. In 2021, an external performance evaluation was conducted by Board Excellence. Further details of the evaluation, the process, outcomes and actions are set out on page 86 of the Corporate Governance section and are incorporated into this report by reference. The results of the 2021 evaluation process were largely positive but a number of areas for improvement were identified and an action plan has been drawn up for their implementation, which will be overseen by this Committee.

The evaluation suggested that the Board could be further strengthened by a Non-Executive Director with robust operations experience in both the mineral sands area and potentially in other mining areas and by an Africa based director. Currently, however, there are no plans to enlarge the Board and to appoint additional directors but this suggestion will be borne in mind should a vacancy arise on the Board. Given that several of the Directors were appointed to the Board in the last 18 months and that Andrew Webb will assume the role of Chairman in May 2022, it would be prudent to allow the appointees to settle into their roles and for a new Board dynamic to evolve before assessing whether any additional skills or experience are required.

## Committee effectiveness and priorities for 2022

The Committee's performance and effectiveness was also considered as part of the external evaluation. The evaluator found that the Committee has scope for improvement particularly in the area of succession planning for both senior Executives and Non-Executive directors and this will be a key area of focus for this Committee in 2022.

## Acknowledgments

I would like to thank the Committee members for their commitment and input to the work of the Committee in 2021. I would also like to acknowledge the contribution of both Gabriel Smith and Peter Bacchus to the Committee over the years and to thank them for their efforts and wish them well.

**GRAHAM MARTIN**

CHAIR OF THE NOMINATION COMMITTEE

4 April 2022

## PROCESS FOR BOARD APPOINTMENTS:

- 01** The Committee approves a role specification based on skills and experience required and the Diversity Policy
- 02** An independent search agent is appointed
- 03** The Committee considers a longlist and then a shortlist of potential candidates and holds interviews
- 04** The preferred candidate is invited to meet with all Board members and due diligence is carried out
- 05** The Committee makes a recommendation to the Board for consideration
- 06** Following Board approval, the appointment is announced in line with regulations and an induction process takes place.