

NOMINATION COMMITTEE REPORT



PETER BACCHUS
Chairman of the
Nomination Committee

Chairman's Overview

I am pleased to present the report of the Nomination Committee for 2020. During the year, the Committee met four times and the main areas of focus were Board renewal, succession planning at Board level, the composition of the Board's Committees and diversity on the Board. 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.

The Committee considered the appointment of Ms. Deirdre Somers as a Non-Executive Director, the result of which was her co-option to the Board in August 2020.

Board renewal

During 2020 and early 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. Following the retirement of Ms. E. Headon in May 2020, the Committee considered that the Board would be enhanced by the appointment of an additional Director with suitable financial and capital markets experience.

An external recruitment consultant, The Effective Board LLP (which has no connection with the Company), was engaged to assist in the process which resulted in the co-option of Ms. D. Somers to the Board in August 2020. This process is outlined on page 91. Ms. D. Somers has over 20 years' experience in senior management positions, having served as Chief Executive of the Irish Stock Exchange ("ISE") from 2007 to 2018 and, prior to that, as its Director of Listing. Ms. D. Somers led the ISE's transformation to a highly profitable entity with global specialisms culminating in its sale in March 2018 to Euronext NV. She also held the position of President and Board Chair of the Federation of European Securities Exchanges from 2015 to 2018. Ms. D. Somers brings a wealth of governance experience at the highest level and her skillset complements the skills of her fellow Directors to provide a robust balance of knowledge, experience and diversity on the Board. This should benefit the Company greatly in the years ahead.

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 www.kenmareresources.com/application/files/4715/7004/3586/2019-10-02_Terms_of_Reference_-_Nominations_Committee.pdf.

Membership and meetings

In May 2020, Dr. E. Dorward-King joined the Committee. In December 2020, Mr. S. McTiernan stepped down as Chairman and member of the Committee and Mr. P. Bacchus joined and took over the Chair. As a result, the Nomination Committee now consists of Mr. P. Bacchus, Mr. G. Martin, Mr. G. Smith and Dr. E. Dorward-King, all of whom are Independent Non-Executive Directors. Dr. E. Dorward-King attended all meetings held after she became a member of the Committee. Mr. S. McTiernan attended all of the Committee meetings held in 2020 during the period in which he was a member of the Committee.

Name	Role	Independent	Date of Appointment to Committee	Meetings Attended
Mr. P. Bacchus	Chairperson	Yes	2/12/2020	N/A
Mr. G. Martin	Member	Yes	25/05/2017	👤👤
Mr. G. Smith	Member	Yes	12/03/2013	👤👤👤
Dr. E. Dorward-King	Member	Yes	13/05/2020	👤👤

Ensuring that the Board continues to have the requisite skills to support the Company's strategy will remain a priority for my tenure as Chairman. I will also focus on the strategy for further enhancing the Board's diversity. As shown on page 81, the Board is balanced in terms of tenure with four Non-Executive Directors in their first term of three years; two in their second term and two undertaking a third term of three years.

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 changes to the composition of the Board's Committees. Dr. E. Dorward-King succeeded Ms. E. Headon as Chair of the Sustainability Committee and became a member of the Nomination Committee. Mr. C. Fonseca became a member of the Audit & Risk Committee. Mr. S. McTiernan stepped down from his position as a member of both the Remuneration and Nomination Committees and as Chair of the Nomination Committee. The current committee memberships of each Director are set out on pages 80 to 81.

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. 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.

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 2020. We were therefore pleased to announce the appointment of Ms. D. Somers to the Board in August 2020.

Following Mr. G. Smith's retirement from the Board at the 2021 Annual General Meeting, female representation on the Board will be 25% excluding Mr. S. Oundhaker (non-independent). The Board is working towards having female Directors represent one third of the Board as soon as possible and by no later than our Annual General Meeting in 2022.

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 11% of the Executive Committee being female and a further 7 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, Dr. E. Dorward-King and Ms. D. Somers were appointed as Non-Executive Directors of several other companies. Prior to accepting these appointments, each of Dr. E. Dorward-King and Ms. D. Somers discussed the matter with the Chairman of the Board who was satisfied that the responsibilities resulting from these new positions would not adversely impact on their respective time commitments to Kenmare, 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 2018, an external performance evaluation was conducted by the Institute of Directors in Ireland (IOD). The IOD has no connection with Kenmare. In 2020, in my role as Senior Independent Director, I conducted an internal performance evaluation. Further details are set out in the Corporate Governance section of the report. I am pleased to report that the results of the 2020 evaluation process were positive and that a number of actions were agreed which will be implemented during the current year. These are designed to drive Board effectiveness in Kenmare as the Group continues to implement its strategy of growth, margin expansion and delivering shareholder returns.

Committee effectiveness

The Committee's performance and effectiveness was also considered as part of the internal evaluation. I am pleased to confirm that the Committee continues to operate effectively.

Peter Bacchus

Chairman of the Nomination Committee

31 March 2021

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

05

The Committee makes a recommendation to the Board for consideration and references are followed up

06

Following Board approval, the appointment is announced in line with regulations and an induction process takes place