

**JACKPOTJOY PLC (THE "COMPANY")**  
**NOMINATION COMMITTEE TERMS OF REFERENCE**

**1. COMPOSITION AND MEETINGS OF NOMINATION COMMITTEE**

- 1.1 The Nomination Committee comprises not less than three directors of the Company, to be selected by the board of directors. A majority of the members of the Nomination Committee should be non-executive directors who are independent in character and judgement and free from any relationships or circumstances which are likely to affect, or could appear to affect, the Nomination Committee member's judgement and should be independent within the meaning of applicable Canadian securities laws, rules and regulations, each as in effect and applicable to the Company from time to time. Appointments to the Nomination Committee shall be for a period of up to three years which may be extended for two further three year periods, provided that the majority of the Nomination Committee remains independent. The board must from time to time review the composition of the Nomination Committee to ensure that membership of the Nomination Committee rotates amongst the Company's non-executive directors.
- 1.2 If any member of the Nomination Committee is unable to act for any reason, the chairman of the Nomination Committee may appoint any other non-executive director of the Company to act as his or her alternate.
- 1.3 The chairman of the Nomination Committee, who should be the chairman of the board or an independent non-executive director, shall be appointed by the board. In the absence of the chairman of the Nomination Committee, the remaining members present shall elect one of their number to chair the meeting. The chairman of the board should not chair the Nomination Committee when it is dealing with the appointment of a successor to the chairmanship.
- 1.4 Any member of the Nomination Committee may be removed or replaced at any time by the board and shall automatically cease to be a member of the Nomination Committee upon ceasing to be a director.
- 1.5 The general counsel (or his or her nominee) shall be the secretary of the Nomination Committee.
- 1.6 The quorum for meetings of the Nomination Committee is two of its members, both of whom must be independent non-executive directors.
- 1.7 No one other than a Nomination Committee member is entitled to attend meetings of the Nomination Committee, but others may attend by invitation. The Nomination Committee shall meet without management or non-independent directors present at each meeting of the Nomination Committee unless otherwise determined by the chairman of the Nomination Committee and the chief executive, the head of human resources and external advisers may otherwise be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 1.8 Meetings of the Nomination Committee are to be held not less than twice a year and at such other times as the chairman of the Nomination Committee shall require. Any of the Nomination Committee members may request a meeting of the Nomination Committee if he or she considers it necessary, to be arranged by the secretary.

## 2. **AUTHORISATION**

2.1 The Nomination Committee is authorised by the board:

2.1.1 at the Company's expense, to obtain such legal or other independent professional advice as it deems necessary to fulfil its responsibilities; and

2.1.2 to secure the attendance of other persons at its meetings if it considers this necessary.

## 3. **DUTIES OF THE NOMINATION COMMITTEE**

3.1 The duties of the Nomination Committee are:

3.1.1 to regularly review the independence (including, as necessary, the factors or standards to be applied in making independence determinations), structure, size and composition (including the skills, knowledge, experience and diversity) of the board (with particular regard to the balance of executive and non-executive directors, including independent non-executives) and to make recommendations to the board with regard to any changes that the Nomination Committee considers necessary;

3.1.2 to put in place plans for the orderly succession of appointments to the board and to senior management;

3.1.3 to identify and nominate candidates, for the approval of the board, to fill board vacancies as and when they arise. In identifying suitable candidates the Nomination Committee shall:

(a) use open advertising or the services of external advisers to facilitate the search;

(b) consider the independence, background, employment, and qualifications of potential candidates and the alignment of such factors with the challenges and opportunities facing the Company and the skills and experience needed within the Company and on the board; and

(c) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board including background and gender, taking care that appointees have enough time to devote to the position;

3.1.4 to evaluate the balance of skills, knowledge, experience and diversity on the board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;

3.1.5 for the appointment of a chairman, to prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the board before appointment and any changes to the chairman's commitments should be reported to the board as they arise;

- 3.1.6 prior to the appointment of a director, to require any proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest;
- 3.1.7 to keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- 3.1.8 to keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 3.1.9 to review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- 3.1.10 to ensure that on appointment non-executive directors receive a formal letter setting out clearly what is expected of them in terms of time commitment, Nomination Committee service and involvement outside of board meetings;
- 3.1.11 to review the results of the board performance evaluation process that relate to the composition of the board;
- 3.1.12 to ensure, in conjunction with the chairman of the board, that new directors receive a full, formal and tailored induction, including familiarising them with the Company's business and operations, including the Company's reporting structure, strategic plans, significant financial, accounting and risk issues and compliance programs and policies, management and the external auditors as well as the expectations of serving as a director;
- 3.1.13 to make recommendations to the board concerning:
  - (a) succession planning for both executive and non-executive directors and in particular for the key roles of chairman and chief executive;
  - (b) suitable candidates for the role of senior independent director;
  - (c) the membership of the Audit and Risk and Remuneration Committees and any other board committees as appropriate, in consultation with the chairmen of those committees;
  - (d) the reappointment of any non-executive 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 light of the knowledge, skills and experience required;
  - (e) the continuation, or not, in service of an executive director as an executive or non-executive director having given due regard to their performance and ability to continue to contribute to the board in light of the knowledge, skills and experience required;
  - (f) the appointment of any director to executive or other office; and

- (g) the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code;
  - (h) the length of time that directors should serve on the board and the appropriateness of term limits (if any), with the aim of ensuring adequate board renewal;
- 3.1.14 to review annually and recommend to the board for approval, if deemed advisable, the disclosure of the Company's corporate governance practices included in the management information circular prepared in connection with the annual meeting of shareholders, on the Company website and in the annual report regarding, among other things, the Nomination Committee's activities, the process used to make appointments and explain if external advice or open advertising has not been used, in each case having regard to applicable laws, rules and regulations. Where an external search agency has been used, it shall be identified in the management information circular and in the annual report and a statement made as to whether it has any connection with the Company. This report should also include a statement of the board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives, having particular regard to the requirements under applicable Canadian securities laws, rules and regulations; and
- 3.1.15 to consider other matters as referred to the Nomination Committee by the board.

#### **4. NOMINATION COMMITTEE CHAIRMAN**

##### **4.1 The Nomination Committee chairman shall:**

- 4.1.1 report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities and its compliance with these terms of reference; and
- 4.1.2 attend the Company's annual general meeting prepared to answer shareholders' questions on the Nomination Committee's activities.

#### **5. SECRETARY**

##### **5.1 The secretary shall:**

- 5.1.1 minute the proceedings and resolutions of all meetings of the Nomination Committee, including recording the names of those present and in attendance;
- 5.1.2 ascertain, at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly; and
- 5.1.3 promptly circulate minutes of Nomination Committee meetings to all members of the Nomination Committee and, once agreed, to all members of the board, unless in the opinion of the Nomination Committee chairman, a conflict of interest exists.

6. **OTHER MATTERS**

6.1 The Nomination Committee shall:

- 6.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- 6.1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 6.1.3 give due consideration to laws and regulations (including all applicable Canadian securities laws, rules and regulations), the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate; and
- 6.1.4 arrange for periodic 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.

Approved by the board on 2 November 2016.