

# NOMINATION COMMITTEE REPORT



“Dear Shareholders,  
I was delighted to welcome Aubrey Adams to the Board in September. Aubrey has almost 40 years’ experience at board level in the real estate industry and will be a great asset to the Company. 2018 will see the Nomination Committee focus on succession planning, and particularly with regard to a future Chairman over the medium term, and ensuring that the Board continues to have the right balance of skills, experience and knowledge to independently carry out its duties.”

## Membership

**Richard Jewson** Chairman

Jim Prower, Susanne Given, Aubrey Adams, Mark Shaw, Stephen Smith (until his resignation from the Company in June 2017)

## Priorities for 2017

- The size, structure and composition of the Board;
- The appointment of a Non-Executive Director to the Board and to the Audit Committee; and
- The proposal for re-election of the Non-Executive Directors and the election of Aubrey Adams as a Non-Executive Director at the AGM in 2018.

## Meeting attendance register

PERSON	MEETINGS ELIGIBLE TO ATTENDED	MEETINGS ATTENDED
Richard Jewson	3	3
Jim Prower	3	3
Susanne Given	3	3
Mark Shaw	3	3
Aubrey Adams	1	1
Stephen Smith	1	1

The Committee’s role is to review the size, structure and composition of the Board, and to ensure that the Board has the right mix of skills, experience and knowledge to enable the Company to fulfil its strategic objectives. The Committee is also responsible for making recommendations for new appointments to the Board and for reviewing the performance and terms of engagement for the existing Directors. The Committee operates within defined terms of reference which are available on the Company’s Website [↗](#) or from the Company Secretary.

## Appointment of a new Non-Executive Director

The Nomination Committee identified the need to appoint a further Independent Non-Executive Director to the Board and the Audit Committee at its meeting at the end of 2016. The recruitment process began soon after that.

The Nomination Committee then evaluated the skills and experience considered necessary to complement the existing Board composition. We particularly wanted the new candidate to have strong experience in industrial real estate and logistics with previous FTSE 100 board experience. We were clear that the candidate had to be able to devote sufficient time to the position and that we wanted the best candidate for the role. We instructed Korn Ferry who had successfully worked with us in 2016 when we recruited Susanne Given. Korn Ferry has no other connection with the Company apart from the provision of non-executive recruitment services.

Korn Ferry presented to the Committee a list of candidates who had expressed an interest in the role. We reviewed the list, identifying those candidates who appeared to hold the correct blend of skills. A series of interviews were arranged with the Board and Colin Godfrey, James Dunlop and Henry Franklin of the Manager. The Committee considered their skills and experience, as well as their ability to devote enough time to the position. Following the recommendation of the Committee, the Board decided to appoint Aubrey Adams as a Non-Executive Director of the Company with effect from 11 September 2017. He will hold office until the Company’s AGM on 16 May 2018 when he will be submitted for election by the Shareholders as a Non-Executive Director of the Company.

### Policy on tenure and succession planning

We considered the ongoing independence of each of the Non-Executive Directors, their respective skills and experience and whether each Non-Executive Director is able to commit sufficient time to the Company, as well as any other external appointments held by the Non-Executive Directors. We consider that each Non-Executive Director has contributed a significant amount over the preceding year; a year which has seen the Company grow with the first acquisition of prime development land, its debut bond issue and another equity issue. The Board, following the advice of the Committee and in line with the AIC Code and Guide, will recommend the election and re-election of each Non-Executive Director at the forthcoming AGM.

Non-Executive Directors are appointed for an initial period of two years. It is the Company's policy of tenure to review individual appointments after seven years of service to consider whether the Non-Executive Director is still independent and still fulfils the role. However, in accordance with the principles of the AIC Code and Guide, we do not consider it necessary to mandatorily replace a Director after a predetermined period of tenure. The Committee is currently recruiting an additional Non-Executive Director with specific finance and audit committee experience. Korn Ferry was appointed with this mandate in 2017 and the Committee hopes to be able to make a recommendation to the Board shortly.

Pursuant to the Articles of Association of the Company, at every AGM of the Company, one third of the Non-Executive Directors who are subject to the requirement to retire by rotation (not including any Non-Executive Director who was appointed by the Board since the last AGM and is standing for election) will retire from office and may offer themselves for re-election. However, notwithstanding the provisions of the Articles, all the Non-Executive Directors will offer themselves for re-election at each AGM in accordance with the provisions of the AIC Code.

When renewing current appointments, all Non-Executive Directors except the individual in question are able to vote at the Annual General Meeting.

### Director remuneration review

As the Company does not have any executive directors it does not have a remuneration committee. No further changes have been made to the remuneration of the Non-Executive Directors during the review period. Details of the Non-Executive Directors' remuneration can be found on pages 106-107 [↗](#).

### Board diversity

The Company does not have any employees. In respect of the Board of Directors, we consider that each candidate should be appointed on merit to make sure that the best candidate for the role is appointed every time. We support diversity at Board level and encourage candidates from all educational backgrounds and walks of life. What is important to us is professional achievement and the ability to be a successful non-executive director based on the individual's skill set and experience. Qualifications are considered when necessary to ensure compliance with regulation such as in relation to appointments to the Audit Committee. We regularly review the Company's policy on diversity and consider that the Board of Directors has a balance of skills, qualifications and experience which are relevant to the Company. We support the recommendations of the Hampton Alexander and Parker Reports and recognise the value and importance of diversity in the boardroom but we do not consider it appropriate, or in the interests of the Company and its Shareholders, to set prescriptive diversity targets for the Board.

**Richard Jewson** Chairman of the Nomination Committee  
7 March 2018

[↗](#) See Directors' Remuneration Report, pages 106-107