

The Wellcome Trust (“Wellcome”)

Terms of Reference for the Nominations and Governance Committee

1. Purpose

- 1.1 The purpose of the Nominations and Governance Committee (the Committee) is to:
- develop and maintain succession plans, and a formal, rigorous and open procedure for making recommendations on senior appointments and reappointments in Wellcome; to include the Board of Governors (the “Board”) and its Committees, the Executive Leadership Team and other key senior staff posts.
 - assist the Board in its ongoing oversight of the quality of governance in Wellcome and make recommendations for improvement; and support the Board in maintaining alignment with legal and regulatory expectations, having regard to the requirements of the UK Corporate Governance Code and Charity Code of Governance and other relevant best practice.
 - enable the Board to have regular oversight of stakeholder engagement within a systematic and strategic framework through the Nominations and Governance Committee.

2. Authority

- 2.1 The Committee is a committee of the Board from which it derives its authority and to which it reports in accordance with Wellcome’s Articles of Association.
- 2.2 The Committee has the delegated authority of the Board in relation to the functions and responsibilities set out in these terms of reference.

3. Membership of the Committee

- 3.1 The members of the Committee will be:

- (a) Chair of the Board;
- (b) Deputy Chair of the Board; and
- (c) Up to two other Governors.

The Chair of the Board will be the Chair of the Committee, subject to paragraph 3.2 below.

- 3.2 If the appointment being considered is that of a new Chair of the Board, the Deputy Chair will chair the Committee. The Chair of the Board and any other member of the Committee who is a potential candidate for that position will not participate in the work of the Committee on that appointment.
- 3.3 If the appointment being considered is that of a new Deputy Chair of the Board, the Deputy Chair and any other member of the Committee who is a potential candidate for that position will not participate in the work of the Committee on that appointment.
- 3.4 If the Committee would not be quorate because of the requirements in paragraphs 3.2 or 3.3 above, the Chair of the Committee will appoint, as an additional member of the Committee, a Governor who is not a potential candidate for the particular position.
- 3.5 The following individuals will attend and participate in the meetings of the Committee, but will not be members:
- (a) Director of Wellcome;

(b) Director of People;

(c) The General Counsel and Company Secretary and/or the Deputy Company Secretary.

3.6 The Committee may invite other attendees (non-voting) for specific items or for the whole meeting, as deemed necessary.

3.7 The General Counsel and Company Secretary or their nominee will act as the Committee's secretary and ensure that the Committee receives information and papers in a timely manner (at least 5 working days before the meeting) to enable full and proper consideration to be given to the issues.

4. Term of Office

4.1 A maximum of one term of four years and one term of three years, coterminous with each Governor's terms of office.

5. Engagement of External Advisors

5.1 The Committee shall engage and dismiss any search firm to be used to identify senior candidates and to retain independent advisors as it deems appropriate with the sole authority to approve such search firm's or advisors' fees and other retention terms. The Board of Governors shall be informed about the engagement of external advisors.

6. Meetings of the Committee

6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair.

6.2 The Committee shall meet at least three times per financial year and at such other times as the Board or members of the Committee shall require.

6.3 The quorum for a meeting will be any two members of the Committee.

6.4 The Chair shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and instruct the Secretary to minute them accordingly.

6.5 Subject to the approval of the Chair and the Secretary of the Committee, the Committee may sub-delegate any of its powers and discretions to any Task and Finish Group or any other person or persons as it may determine who are qualified by his/her expertise to provide advice to the Committee. The Chair and membership of any Task and Finish Group shall be proposed by the Chair and approved by the Committee members.

7. Responsibilities

7.1 The Committee shall, on behalf of the Board:

Board, Committee Membership and Senior Staff Engagement, and Succession Planning

(a) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board of Governors and make recommendations to the Board with regard to any changes;

(b) be responsible for identifying and nominating for the approval of the Board candidates to fill Governor and external committee member vacancies as and when they arise. These would be discussed with the Director before the recommendation to the Board was made, with the Board retaining responsibility for the decision;

- (c) be responsible for identifying and nominating for the approval of the Board one or more candidates to fill the positions of Chair, Deputy Chair and Governors of the Board, as and when vacancies in those positions arise;
- (d) make recommendations to the Board on the reappointment of any Governor at the conclusion of their specified term of office, having given due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required;
- (e) make recommendations to the Board concerning the Chair and membership of the following Board Committees (and any other Board Committees or Boards of Wellcome, as appropriate):
 - (i) Audit and Risk Committee
 - (ii) Investment Committee
 - (iii) Remuneration Committee
- (f) make recommendations to the Board concerning the appointment of Governors as trustees of the Wellcome Trust Pension Plan (and any other pension plans of Wellcome or any of its subsidiaries);
- (g) approve nominations from Wellcome for major external honours and awards for its employees, Wellcome's grant recipients or other individuals;
- (h) give full consideration to succession planning for the Board, its committees and other senior executives, and in particular for the key roles of Chair, Deputy Chair and Director;
- (i) before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- (j) In identifying suitable candidates, the Committee shall:
 - (i) use open advertising or the services of external advisers to facilitate the search for candidates from a wide range of backgrounds;
 - (ii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that candidates have enough time available to devote to the position.
- (k) At the direction of the Board of Governors be responsible for recruitment and recommending the appointment of a Director of Wellcome;
- (l) The Committee shall discuss appointments to the Executive Leadership Team prior to an offer being made. Final responsibility for the appointment remained with the Director.

Board Performance

- (m) Develop, review and oversee the performance evaluation process for the Board, Board committees and the Governors individually;
- (n) Review annually the time required from Governors (including all aspects of the role, for example study visits and other non-meeting related aspects). Performance evaluation should be used to assess whether Governors are spending enough time to fulfil their duties;

Governance

- (o) Advise the Board on the Group's compliance with the UK Corporate Governance Code, Charity Governance Code and other applicable governance requirements;

- (p) Review Wellcome's corporate governance arrangements and make recommendations for improvement;
- (q) Assist the Chair in reviewing the composition of the Board and to make appropriate recommendations to ensure board governance is consistent with its legal and regulatory obligations;
- (r) Ensure, on behalf of the Board, that the conflicts of interest policy is being upheld by Governors and ELT;
- (s) Investigate and make recommendations, as requested by the Chair of the Board of Governors, for any reported breach of the eligibility criteria and/or Code of Conduct. Advise on other matters of governance and nomination as mandated by the Board.

Stakeholder Engagement

- (t) Appoint an Engagement Governor who is accountable to the NGC and ultimately the BoG who will interface with the Executive via the Head of Programmes.
- (u) Ensure, on behalf of the Board, stakeholder and partnership data is tracked and collated and an annual report is provided to the September Board meeting.
- (v) Enable the Board to gather the views of the workforce, making sure the employee voice is heard and acted upon.
- (w) Ensure the Board fulfils its statutory reporting obligations in relation to staff and stakeholder engagement and is appropriately and efficiently connected with, listening to and informed by insights from a broad cross section of staff and stakeholders in its decision- making.
- (x) Where possible benchmarking Wellcome against best practice engagement in other organisations.

8. Minutes / Reporting

8.1 The Committee shall:

- (a) Receive draft minutes of the meeting within 10 working days after approval by the Chair. Minutes will be shared with the Board of Governors at the following board meeting.
- (b) Report to the Board, through the Committee Chair on its proceedings and make recommendations on any area within its remit where action or improvement is needed.
- (c) Oversee and approve a report for inclusion in Wellcome's Annual Report, which will include an Annual Statement and Report from the committee Chair. The structure and content of the report will take into account relevant legal requirements and governance trends at time of publication.

Approved by the Nominations Committee at its meeting on 2 December 2019 and by the Board of Governors at its meeting on 16 December 2019 and amended by the Nominations and Governance Committee on 2 December 2020 and approved by the Board of Governors on 14 December 2020.