



# Indivior PLC

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## **Terms of Reference of the Nomination & Governance Committee**

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**NOMINATION & GOVERNANCE COMMITTEE**  
**TERMS OF REFERENCE**

**A: PURPOSE AND DELEGATED AUTHORITY**

1. The objective of the Nomination & Governance Committee (the 'Committee') is to make recommendations to the Board of Directors (the 'Board') of Indivior PLC (the 'Company') on suitable candidates for appointment to the Board and its Committees ensuring that their composition is regularly reviewed and refreshed as appropriate. The Committee also reviews management's succession plan to ensure its adequacy. The Committee is responsible for the Company's procedures for dealing with conflicts of interest and for making recommendations to authorize conflicts or implementing other measures in relation to such conflicts.
2. The Committee is also responsible for reviewing and overseeing the Company's Corporate Compliance Program. The Committee shall work with management to ensure that the Board appoints either a VP, Corporate Compliance or Chief Compliance Officer ("Compliance Head") for the Company. The Compliance Head shall report directly to the Company's Chief Executive Officer and/or Chief Legal Officer, with a dotted line report to the Committee.
3. The Board has delegated the authority set out in these terms of reference to the Committee. The Committee may sub-delegate any of its powers and authority as it thinks fit including instructing employees or creating sub-committees to review and report to it on specific issues.

**B: SCOPE**

4. The primary focus of the Committee's efforts shall be to make recommendations on:
  - 4.1 The composition and performance of the Board and its Committees;
  - 4.2 Appointments and re-elections to the Board and its Committees;
  - 4.3 Succession plans for the Chairman, executive and non-executive directors; and
  - 4.4 Matters dealing with Corporate Compliance.

**C: MEMBERSHIP**

5. Members of the Committee shall be appointed by the Board. The Committee shall be made up of least three members, each of whom shall satisfy the independence requirements of the UK Corporate Governance Code (the 'Code').
6. The Board shall appoint the Committee Chairman who should be either an independent non-executive director or the Chairman of the Board, if he or she satisfies the applicable independence requirements. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
7. Appointments to the Committee shall be for an initial period of three years, which may be extended for two further periods of up to three years, provided that the member still meets the criteria for membership of the Committee and for independence under the Code.

**D: ADMINISTRATION**

**Quorum and Attendees**

8. The quorum for the Committee shall be two Committee members both of whom must be non-executive directors.
9. Only members of the Committee have the right to attend Committee meetings. Other individuals such as the Chief Executive Officer, the Chief Legal Officer, the Compliance Head, the Chief Human Resources Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
10. No less than quarterly, the Committee shall meet with the Compliance Head to review the Company's Corporate Compliance Program and at least part of that meeting should be conducted without executive management present.

**Secretary**

11. The Company Secretary or his or her nominee shall act as secretary to the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

**Meetings**

12. The Committee shall meet no less than quarterly and otherwise as required.

**E: REPORTING**

13. The Committee shall regularly report to the Board on the matters discussed and the minutes shall be circulated to other members of the Board except where a conflict of interest exists or where, in the opinion of the Chairman of the Committee, it would not be appropriate to do so.
14. The Committee shall report to the Board on its work in discharging its duties and responsibilities during the year and the outcomes of its formal performance evaluation. The Committee will provide a summary report on these matters and on the process used to make appointments, including an explanation where external advice and open advertising have not been used, for inclusion in the Annual Report. Any external search agency used shall be identified, and any other connection it has with the Company shall be disclosed in the Annual Report.
15. The Committee's report to the shareholders shall 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.
16. The Chairman of the Committee should attend the Annual General Meeting (the "AGM") to answer questions on the Committee's activities.

**F: RESOURCES**

17. The Committee may obtain directly and at the Group's expense any outside independent professional advice on matters within its terms of reference and it shall be responsible for the selection criteria, appointing, setting terms of reference for and compensation of such advisers.

## **G: TRAINING, REVIEW AND EVALUATION**

18. The Committee shall be provided with appropriate and timely training, both in the form of an induction program for new members and on an on-going basis for all members.
19. To maintain maximum effectiveness, the Committee shall at least once a year undertake a review of its own performance, its membership and organization and these terms of reference and it shall make appropriate recommendations to the Board for approval.

## **H: DUTIES AND RESPONSIBILITIES**

On behalf of and subject to Board approval, the Committee shall:

### **Governance and Compliance**

20. Keep under review the Company's compliance with the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other rules, as appropriate, regarding corporate governance, report its conclusions to the Board and make any necessary or desirable recommendations to the Board regarding any changes to the Company's corporate governance practices.
21. Evaluate any conflicts of interest notified by the directors and recommend authorizations or other measures to the Board and annually evaluate the Company's procedures for ensuring that the Board's powers to manage and authorize conflicts are operated effectively.
22. Keep under review, and conduct an annual review of, the Company's Corporate Compliance Program, to include review of compliance program standards and resourcing levels including the development and maintenance of internal systems and controls to carry out the Company's policies and procedures relating to compliance matters. The Committee will report to the Board on its conclusions and make any necessary or desirable recommendations to the Board regarding its operation.
23. The Committee shall receive regular reports from the Compliance Head (on at least a quarterly basis) on corporate compliance matters, which must include:
  - 23.1 information about confidential hotline reports submitted by employees of the Company or third parties relating to matters which could have a material impact on the Company. Matters relating to alleged financial impropriety or fraud will be reported to the Audit Committee;
  - 23.2 a report on the status of the Company's Corporate Compliance Program, including policy updates, training and monitoring activities to ensure adherence to applicable legal and regulatory standards and to the Code of Business Conduct where there may be a material impact on the Company;
  - 23.3 a report on the major findings of internal investigations including management's response, and on material inquiries received from regulators or governmental agencies;
  - 23.4 an assessment of the effectiveness of the Corporate Compliance Program including whether the Program has sufficient resources;
  - 23.5 any other matters deemed relevant by the Compliance Head;

- 23.6 meeting periodically with management of the Company to assess the Company's Compliance program, including but not limited to:
- a. the Chief Compliance Officer's direct access to senior management and the allocation of sufficient funding, resources and staff to enable the Chief Compliance Officer to fully perform his or her responsibilities;
  - b. the implementation of written compliance policies and procedures that guide the Company and the conduct of management and employees in day-to-day operations, as well as appropriate training for members of the Board and for Company management, employees and agents;
  - c. the establishment and maintenance of procedures for the receipt, retention, and response to complaints received regarding compliance matters, including procedures for the confidential, anonymous submission of complaints by employees concerning compliance and ethical issues;
  - d. the adequacy of systems and processes designed to assess, the Company's compliance obligations and associated risks, to monitor and audit the Company's systems, processes and transactions, and to promote and enforce standards through incentive and disciplinary action; and
- 23.7 any specific material compliance issues.

### **Board composition and performance**

- 24. Regularly review the Board's structure, size and composition (including the diversity of experience, expertise, gender, knowledge and skills) and make recommendations to the Board for any changes.
- 25. Review the process for monitoring and evaluating the performance and effectiveness of the Board and the Board Committees. The Committee shall also ensure that executive directors do not take on more than one non-executive directorship in a FTSE 100 company nor the chairmanship of such company and the Committee's approval shall be required for any executive director to join the board, or take on any significant role, in any unaffiliated company.
- 26. Review and make recommendations to the Board on any proposed appointment to an executive or non-executive director role or other office excluding the roles of the Chairman and Chief Executive Officer which are reserved to the Board. Notwithstanding the foregoing, the Committee shall prepare a job and time specification for the Chairman's role and shall ensure that the proposed Chairman's other commitments are disclosed to the Board before appointment and included in the Annual Report, with any subsequent changes reported as they arise and their impact explained in the Annual Report.

### **Board appointments**

- 27. Evaluate the Board's balance of skills, expertise, knowledge, experience and diversity and, in the light of this evaluation, prepare a description identifying the necessary and desired skills and experience for potential candidates. In identifying suitable candidates, the Committee shall:
  - 27.1 Use open advertising and/or external advisers to facilitate the search; or shall explain and recommend to the full Board why that should not be the case;

- 27.2 Consider candidates from a wide variety of backgrounds; and
- 27.3 Consider candidates on merit and against objective criteria and with due regard to the benefits of diversity on the Board and taking particular care to ensure that candidates have adequate time available to devote to the position.
- 28. Lead the process for and recommend all proposed appointments to the Board and the Board Committees and the re-election of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the Company's articles of association.
- 29. Confirm the terms of the formal letter of appointment for a new non-executive director, setting out clearly what is expected in terms of time commitment, committee service and involvement outside of Board meetings.
- 30. Make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract.

### **Succession planning**

- 31. Review succession planning for executive and non-executive directors, taking into account the challenges and opportunities facing the Company and its subsidiaries (the "Group") and the skills and expertise needed on the Board in the future and make recommendations to the Board; and
- 32. Monitor the leadership needs of the Group, both executive and non-executive, and succession planning for such needs, to ensure the continued ability of the Group to compete effectively in the marketplace.