

WILLIAM HILL PLC (THE "COMPANY")

NOMINATION COMMITTEE TERMS OF REFERENCE – JANUARY 2019

Constitution

1. The Board has resolved to establish a Committee of the Board to be known as the Nomination Committee (the "**Committee**").
2. The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference. The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

Purpose

3. The role of the Nomination Committee is to ensure that:
 - (a) the Company is headed by an effective and entrepreneurial board, whose role is to promote the long-term success of the Company, generating value for shareholders and contributing to wider society. The Board should have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively;
 - (b) there is a formal, rigorous and transparent procedure for the appointment of new directors to the Board, and an effective succession plan is maintained for board and senior management (to include the Executive Committee and Company Secretary). The Nomination Committee should lead the process for all Board appointments and make recommendations to the Board;
 - (c) any search for Board candidates is conducted, and appointments and succession plans are based, on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths;
 - (d) the Board and its committees have a combination of skills, experience and knowledge, giving consideration to the length of service of the Board as a whole, and that membership is regularly refreshed; and
 - (e) that an annual evaluation of the Board considers its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.

Membership

4. The Committee shall be appointed by the Board from time to time and the majority of its members shall be independent Non-executive Directors of the Company. The Committee shall consist of at least three members. A quorum shall be two members, both of whom must be independent Non-executive Directors. Appointments to the Committee shall be for a period of up to three years, which may be extendable by no more than two additional three year periods, provided the Director still meets the criteria for membership of the Committee.
5. The Chairman of the Committee shall be the Chairman of the Board or a Non-executive Director and shall be appointed by the Board. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chairmanship, and this function shall ordinarily be performed by the Senior Independent Director. The Chairman and members of the Committee shall be identified in the Company's Annual Report.

Meetings

6. Only members of the Committee have a right to attend Committee meetings. Other individuals such as the Chief Executive, Company Secretary, Group HR Director and external advisors may be invited to attend for all or part of any meeting as and where appropriate.
7. The Committee shall document their discussions and the Committee Chairman shall report formally to the Board on its proceedings after each meeting.
8. The Committee shall appoint the Company Secretary or his or her nominee, to be Secretary to the Committee.
9. Meetings may be held by video conference, telephone or by any other manner permitted in the Company's constitution.
10. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other Non-executive Directors, no later than four working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.
11. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board unless a conflict of interest exists.
12. The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions regarding the Committee's activities.

13. The Committee will meet as necessary but, as a minimum, twice in any calendar year.

Duties

14. The Committee shall, for the group as a whole:

- (a) regularly review the structure, size and composition (including the skills, knowledge, experience, independence and diversity) of the Board and make recommendations to the Board with regard to any changes;
- (b) give full consideration to orderly succession planning for both the Board and senior management (to include the Executive Committee and Company Secretary), including Executive and Non-executive Directors, and other senior executives, and in particular for the key roles of Chairman and Chief Executive. This should take into account the challenges and opportunities facing the Company, and the skills and experience needed on the Board in the future;
- (c) promote a diverse pipeline for succession, taking account of diversity of gender, social and ethnic backgrounds, cognitive and personal strengths;
- (d) keep under review the leadership needs of the organisation, both Executive and Non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the market place;
- (e) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (f) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (g) 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. In identifying suitable candidates the Committee shall:
 - i. use open advertising or the services of external advisers to facilitate the search;
 - ii. consider candidates from a wide range of backgrounds;
 - iii. 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 appointees have enough time available to devote to that position;

- iv. in nominating candidates to be appointed as a director, the Committee should take into account that the Board should include an appropriate combination of Executive and Non-executive (and, in particular, independent Non-executive) Directors , such that no one individual or small group of individuals dominates the Board's decision making; and
 - v. consider the requirement for a clear division of responsibilities between the leadership of the board and the executive leadership of the Company's business; and
 - (h) ensure that all new directors undertake a full, formal and tailored induction programme to ensure that they are fully informed about strategic and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director. Consideration should also be given to any training requirements of the Board as a whole.
15. For the appointment of the Chairman, the Committee should 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.
 16. Prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.
 17. The Committee should ensure that on appointment to the Board, the Non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings. Keep under review the number of external directorships held by each Director.
 18. The Committee shall ensure that a formal and rigorous annual review of the performance of the Board, that of its committees, the Chairman and individual directors is completed. The services of an independent board evaluation or governance consultant shall be used for the purposes of completing the evaluation at least triennially. The Committee shall review the results of the Board evaluation process that relate to the workings of the Committee each year, and make recommendations to the Board accordingly.
 19. Prior to appointment, proposed appointees should disclose significant commitments with an indication of the time involved. Additional external appointments should not be undertaken without prior approval of the Board.

Full-time Executive Directors should not take on more than one Non-executive directorship in a FTSE 100 company or other significant appointment.

20. The Committee will review annually the time required from the Non-executive Directors. The Board evaluation process should formally assess whether the Non-executive Directors are spending enough time to fulfil their duties and to discharge their responsibilities effectively.
21. The Committee shall also make recommendations to the Board concerning:
 - (a) the formulation of plans for succession for both the 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) membership of the Audit & Risk Committee, the Remuneration Committee, the Corporate Responsibility Committee and any other Board committees as appropriate, in consultation with the Chairman of each committee;
 - (d) the re-appointment of any of the Non-executive Directors at the conclusion of their specified term of office having given due regard to their performance, independence and ability to continue to contribute to the Board in the light of knowledge, skills and experience required;
 - (e) the re-election by shareholders of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the Company's Articles of Association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to any director being re-elected for a term beyond six years);
 - (f) the post of the Chairman, who should not remain in post beyond nine years from the date of their first appointment to the Board (subject to extension for a limited time to facilitate effective succession planning and the development of a diverse Board, particularly where the Chairman was an existing Non-executive Director on appointment); and
 - (g) 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.
22. The Committee shall report formally to shareholders in the Company's Annual Report and Accounts including, as a minimum, on:

- (a) its key recent activities;
 - (b) any areas of focus during the year under review;
 - (c) the process used for recommendations to the Board regarding appointments, its approach to succession planning and how both support developing a diverse pipeline;
 - (d) a description of the Board's policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives;
 - (e) the gender balance of those in the senior management (to include the Executive Committee and the Company Secretary) and their direct reports;
 - (f) a description of the Board's reasons for permitting significant external appointments of Directors;
 - (g) how the Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual directors, the outcomes and actions taken, and how it has or will influence Board comparison;
 - (h) the identity of any external Board evaluator along with a statement about any other connection it has with the company or individual directors;
 - (i) whether or not open advertising and/or an external search consultancy has been used for recruitment of Non-executive Directors or any new Chairman, and the identity of any external search consultancy along with a statement about any other connection it has with the company or individual directors. The report shall be included within the Governance Report in the Company's Annual Report and Accounts; and
 - (j) the reasons for any extension of the term of the Chairman's post beyond nine years from the date of their first appointment.
23. All recommendations of the Committee, in respect of the appointment of Directors, shall be referred to the Board and shall only take effect when approved by resolution of the Board.
24. The Committee shall at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and is collectively promoting the long-term success of the

Company. The Committee shall also recommend any changes it considers necessary to the Board.

25. The Committee shall make its terms of reference available to shareholders and other stakeholders via the Company's website.

Other matters

26. The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;
- (b) 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; and
- (c) give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate.

Authority

27. The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

Approved by the Board on 17 January 2019