

NOMINATION COMMITTEE REPORT



Committee Meetings and Attendance

The committee met four times during 2023.

Member	Attendance
John Hennessy	4/4
Cathriona Hallahan	2/2
Margaret Sweeney	2/2
Elizabeth McMeikan	4/4

See the committee's terms of reference on dalatahotelgroup.com

Dear Shareholder,

I am pleased to present the report of the nomination committee for 2023.

This year, the committee reassessed board composition following the retirement of Margaret Sweeney, oversaw the recruitment and appointment of one new non-executive director, refreshed the composition of the board committees following the appointment of Jon Mortimore and initiated the board effectiveness review, which was facilitated this year by external consultants.

Board composition and skills mix

Margaret Sweeney retired from the board following the 2023 AGM. Margaret had served on the board since our 2014 IPO. She was chair of the remuneration committee, a member of the nomination committee throughout her term, and a member of the audit and risk committee from July 2016 until the date of her retirement. She also served as Senior Independent Director from 1 January 2021 to her retirement date.

Margaret brought a broad range of skills, including financial, audit and risk management, international business experience, mergers and acquisitions and capital markets transactions. She also had extensive property industry experience. While refreshing the non-executive board membership in 2021, the committee focused on diversifying the range of skills and expertise on the board; however, in choosing a replacement for Margaret, the committee recognised the need to find a candidate with similar experience to hers.

See the board of directors section for information on each director's biography, principal skills, and an overview of the board skills matrix.

Board effectiveness review

During 2023, a Board effectiveness review was conducted with the assistance of external expert consultants. The outcome of the review was very positive, and the board obtained valuable insights that will assist it in continuing to operate effectively in the future. A detailed account of the process and its outcome is provided in the Corporate Governance Report.

Diversity

In line with the company's board diversity policy, the committee considers all aspects of

diversity, including gender, race, background, skills, regional and industry experience, and other distinctions, when reviewing board composition (and when agreeing on a job specification for a new non-executive director appointment).

In last year's report, I explained how, in the previous years, the committee had successfully addressed the gender imbalance on the board, and I undertook to engage with candidates with an ethnic minority background in the search to fill future vacancies while holding to the guiding principle, under our policy, that all appointments would be made on merit.

Today, 50% of the board is female, and the positions of CFO, senior independent director, audit and risk committee chair, remuneration committee chair, ESG committee chair and non-executive director with designated responsibility for workforce engagement are all held by women.

50% (2022: 50%) of the CEO's direct reports and 44% (2022: 45%) of senior managers (comprising our hotel and central office senior managers) are female.

The company has an inclusion and diversity policy, which is designed to promote broad diversity across the organisation and support our strategic priority of retaining and developing talent. See *Delivering Value for Stakeholders – Employees* to read more about our progress.

Non-executive director recruitment

Following a tender process, in April 2023, the committee appointed MWM Consulting (an executive search firm with no other connections to the company or its directors) to assist the company in recruiting a new non-executive director. Following input from all of the directors, the consultant was briefed to identify candidates with financial, risk management and capital markets experience and also to identify candidates with a non-white ethnic minority background.

Shortlisted candidates, including some with a non-white ethnic minority background, were identified, and final candidates were interviewed by a panel of two non-executive directors.

Jon Mortimore, the successful candidate, met with each of the directors before the committee recommended his appointment. In addition to the priority skills identified by the board, Jon has extensive business experience in international markets and has served on the senior management team at a large hotel business. We welcomed Jon to the board in August last year and look forward to working with him in the coming years. Upon appointment, he joined the audit and risk and ESG committees.

Committee composition changes

Margaret Sweeney's retirement prompted a reallocation of responsibilities among non-executive directors.

Elizabeth McMeikan succeeded Margaret as remuneration committee chair; Elizabeth was initially appointed to the remuneration committee in October 2019. Elizabeth also succeeded Margaret as Senior Independent Director.

Elizabeth stepped down from her role as ESG committee chair, a position she held since the ESG committee was established in 2020, and Gervaise Slowey succeeded her.

Full committee membership details are set out in the board matrix in the corporate governance report.

Non-executive director and chair succession

In last year's report, I provided a detailed update on non-executive director succession in the context of the retirement of the four directors appointed when the company was listed publicly in 2014.

I committed to managing this succession plan (communicated initially in 2019's annual report) in a manner and over a timescale that would allow a transfer of knowledge and avoid a sudden loss of experience while at the same time preserving the independence of the board's non-executive membership. The plan also took account of the retirement of company founders Pat McCann (2021) and Stephen McNally (2022).

Last year, the board considered the question of chair succession in the context of the approaching ninth anniversary of my appointment in March 2023 and provision 19 of the UK Corporate Governance Code, which states that the chair should not

remain in post beyond nine years from the date of their first appointment (except in limited circumstances referred to in provision 19).

The board also considered:

- the extent of change in board composition in the prior two years
- the significant senior management turnover following the company founders' retirement;
- the continuing uncertainty in the business environment at that time, reflected in volatile demand patterns in the aftermath of the Covid-19 pandemic, exacerbated by the war in Ukraine, high inflation and rising interest rates.

The board then proposed that it would be in the company's and its stakeholders' best interest that my term as chair be extended, subject to my re-election by shareholders, for two further years up to 2025.

Last year, before publishing the chair succession plan, we consulted with our ten largest shareholders. This engagement was to explain the board's strategy and hear the shareholders' views on it. Those we spoke to, or corresponded with, supported the plan, and the resolution calling for my re-election at last year's AGM received a 91% vote in favour.

The committee is satisfied the extension of my term complies with the limited circumstances provided for in provision 19 of the code.

The committee plans to initiate the process for the appointment of a new chair later this year.

Management succession planning

During the year, the committee received a report from the CEO explaining the management succession pipeline, covering executive director positions and positions reporting to members of the senior management group. The committee is satisfied that the company is proactive in developing future leaders. The board and board committees regularly engage with members of the wider executive team through their periodic participation in board or committee meetings.

Role of the Committee

Reviewing the structure, size and composition of the board and making recommendations to the board with regard to any changes.

Assessing the effectiveness and performance of the board and each of its committees, including consideration of the balance of skills, experience, independence and knowledge of the company on the board, its diversity, including gender, how the board works as a unit, and other factors relevant to its effectiveness.

Considering succession planning for directors and members of the executive management team.

Identifying and nominating new members to the board.

Reviewing the results of the board performance evaluation process that relate to the composition of the board.

Reviewing annually time input required from non-executive directors.

Conclusion

Following a very successful twelve months for the company, the committee is satisfied that the board has the right blend of skills and experience to lead the company on its ambitious growth journey over the coming years.

I would like to express my gratitude to my committee members and board colleagues for their contributions during the year and extend my appreciation to our shareholders for their ongoing support. I look forward to your continued support at the forthcoming AGM. If you have any questions or wish to discuss any part of this year's report, you may contact me through the company secretary by email at companysecretarial@dalatahotelgroup.com.

John Hennessy

Chair
Nomination Committee