

NOMINATION COMMITTEE

TERMS OF REFERENCE

1. Membership

- 1.1. The Committee shall consist of not less than three non-executive directors.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chief executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3. The Committee shall be appointed from time to time by the board of directors (the "Board") from amongst its own members.
- 1.4. The chairman of the Board shall be the Committee Chairman. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves 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.

2. Quorum

- 2.1 The quorum shall be any two members.

3. Frequency of meetings

- 3.1 The Committee shall meet at least once in each financial year and at such other times as the Committee Chairman shall require.

4. Notice of meetings

- 4.1. Meetings of the Committee shall be called at the request of the Committee Chairman .
 - 1.1. Unless otherwise agreed, an agenda of items to be discussed and supporting papers shall be sent to Committee members and to other attendees, as appropriate no later than three working days before the date of the meeting.

5. Minutes of meetings

- 5.1. Minutes shall be taken of the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 5.2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chairman it would be inappropriate to do so.

6. Annual general meeting

- 6.1 The Committee Chairman should be available to attend the AGM to respond to any shareholder questions relating to the Committee's activities.

7. Duties

The Committee shall:

- 7.1. regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board and make recommendations to the Board with regard to any changes;
- 7.2. give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future;
- 7.3. 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 marketplace;
- 7.4. be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- 7.5. 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:

- 7.5.1. use open advertising or the services of external advisers to facilitate the search as appropriate;
- 7.5.2. consider candidates from a wide range of backgrounds; and
- 7.5.3. 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 the position;
- 7.6. for the appointment of a chairman of the Board, 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;
- 7.7. prior to the appointment of a director, require the proposed appointee 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;

- 7.8. ensure that on appointment to the Board, 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;
- 7.9. review the results of the Board performance evaluation process that relate to the composition of the Board;
- 7.10. review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- 7.11. To consider at the invitation of the Board any request made by a director of the company to accept an outside directorship or other outside interest and make recommendations thereon; and
- 7.12. work and liaise as necessary with the Board and all other Board committees.

The Committee shall also make recommendations to the Board concerning:

- 7.13. formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chairman and chief executive;
- 7.14. suitable candidates for the role of senior independent director;
- 7.15. membership of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the chairman of those committees;
- 7.16. the re-appointment of any non-executive director 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;
- 7.17. 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; and
- 7.18. the appointment of any director to executive or other office.

8. Reporting responsibilities

- 8.1. The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2. the Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed

- 8.3. the Committee shall include as part of the corporate governance report within the company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the company
- 8.4. the report referred to in 8.3 above should include a statement of the Board's policy on diversity, including gender.

9. Other matters

The Committee shall:

- 9.1. have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 9.2. be provided with training both in the form of an induction programme for new members and on an ongoing basis for all members where appropriate.
- 9.3. 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.
- 9.4. arrange for periodic reviews of its own performance and, at least every three years, review its constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

10. Authority

- 10.1 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.