

Nomination Committee: Terms of Reference

1 Membership

- 1.1 The committee shall comprise at least two directors. At least one member shall be an independent non-executive director.
- 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 will be constituted by the Board from time to time as required. All appointments shall be reviewed annually.
- 1.4 At the time when the committee is constituted the board shall appoint the committee chairman. The committee chairman should be either the chairman of the board, if the chairman is considered to be an independent non-executive, or an independent non-executive director. 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 from those who would qualify under these terms of reference to be appointed to that position 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.

2 Secretary

- 2.1 The company secretary or his or her nominee shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner.

3 Quorum

- 3.1 The quorum necessary for the transaction of business shall be two, one of whom must be an independent non-executive director.

4 Frequency of meetings

- 4.1 The committee shall meet when constituted by the board, which will usually be when an executive or non-executive director appointment is required.

5 Notice of meetings

- 5.1 Meetings of the committee shall be convened by the secretary of the committee at the request of the committee chairman. Reasonable notice of at least three working days will be given before the date of the meeting along with all supporting papers.

6 Minutes of meetings

- 6.1 The secretary or his appointee shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 6.2 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.

7 Duties

The committee shall:

- 7.1 Keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates.
- 7.2 Be responsible for identifying and nominating for the approval of the board, candidates to fill executive and non-executive board vacancies as and when they arise.
- 7.3 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:
 - a. use open advertising or the services of external advisers to facilitate the search;
 - b. consult with the CEO and chairman in relation to the appointment of any executive directors;
 - c. consider candidates from a wide range of backgrounds;
 - d. 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;
 - e. follow suggested good practice within the UK Corporate Governance Code where appropriate.
- 7.4 For the appointment of a 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.
- 7.5 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.
- 7.6 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.
- 7.7 Work and liaise as necessary with all other board committees.
- 7.8 The committee shall also make recommendations on other appointments where directed to do so by the board. This will usually include one or more of the following:
 - a. formulating plans for succession for both 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. 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;
 - d. 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;

- e. the appointment of any director to executive or other office.

8 Reporting responsibilities

- 8.1 The committee chairman shall report and make recommendations 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.

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 appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
- 9.3 Give due consideration to laws and regulations, the provisions of the Code and the requirements of any other applicable rules, as appropriate.
- 9.4 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness 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 matter within its terms of reference.