

Terms of Reference of the Nomination Committee

1. Purpose

- 1.1 The purpose of the Nomination Committee is to review the structure, composition and performance of the Board and make recommendations to the Board with regard to any changes.

2. Membership

- 2.1 The Committee shall be appointed by the Board and shall comprise of a Chair and at least two other members.
- 2.2 A majority of the Committee shall be independent non-executive directors.
- 2.3 The Board shall appoint the Committee Chair. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 2.4 If a regular member is unable to act due to absence, illness or any other cause, the Chair of the Committee may appoint another director of the company to serve as an alternate member having due regard to maintaining the required balance of executive and independent non-executive members.
- 2.5 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence.

3. Secretary

- 3.1 The Company Secretary or his/her nominee shall be Secretary of the Committee.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be two of whom at least one must be a non-executive director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of meetings

- 5.1 The Committee shall meet at such times as the Chair of the Committee shall require.

6. Notice of Meetings

- 6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chair of the Committee
- 6.2 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 no fewer than five working days prior to the date of the meeting.

7. Minutes of Meetings

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 Minutes of Committee meetings shall be circulated to all members of the Committee and to the Chair of the Board and made available on request to other members of the Board.

8. Duties

- 8.1 The Nomination Committee shall be responsible for all aspects of the appointment of directors of the Company and the duties of the Nomination Committee shall be:
 - 8.1.1 to regularly review the structure, size and composition of the Board (including skills, knowledge and experience) taking into account the current requirements and future development of the Company, and make recommendations to the Board with regard to any adjustments that are deemed necessary;
 - 8.1.2 to identify, nominate and recommend for the approval of the Board, candidates to fill board vacancies as and when they arise;
 - 8.1.3 before beginning to search for candidates for a particular appointment, to prepare a written description of the role and capabilities required for that appointment having evaluated the balance of skills, knowledge and experience already on the Board;
 - 8.1.4 to seek advice from external advisers and/or use open advertising, if appropriate, in relation to seeking and selecting candidates for any appointments, having regard to the requirement to give an explanation in the annual report if neither external consultants nor open advertising have been used;
 - 8.1.5 to review a candidate's other commitments and ensure that, on appointment, a candidate has sufficient time to undertake the role. In particular, if the candidate is a full-time executive director of another company, to ensure that his appointment to the Company is his sole non-executive appointment and that he is not chairman of a FTSE 100 company;

- 8.1.6 to satisfy itself with regard to succession planning, that processes and plans are in place with regard to both Board and senior management appointments;
- 8.1.7 to ensure that on appointment, all non-executive directors receive formal written terms of appointment and formal induction training within 3 months of the appointment date;
- 8.1.8 to make recommendations regarding the membership of the Board Committees in consultation with the Chair of the Committee;
- 8.1.9 to review annually the time needed to fulfil the role of Chair, senior independent director and each non-executive director (taking into account committee memberships) and, with reference to the annual performance evaluation, to review whether all members of the Board have devoted sufficient time to their duties;
- 8.1.10 to investigate and make recommendations to the Board concerning any matters relating to the continuation in office as a director of any director at any time;
- 8.1.11 as regards the re-appointment of any non-executive director, to review performance, at the conclusion of his or her specified term of office; particularly once a third term of office has been completed;
- 8.1.12 to recommend the re-election (or not) by shareholders of any director under the retirement and re-election provisions in the Company's Articles of Association;
- 8.1.13 to make recommendations to the Board regarding the appointment of any director to executive or other office (except for the positions of chairman and chief executive, which shall be matters for the Board);
- 8.1.14 to review and, where necessary, update these terms of reference (subject to the approval of the Board) and make them publicly available; and
- 8.1.15 generally, to have regard to the Code in carrying out the duties specified above.

9. Authority

- 9.1 The Committee is authorised by the Board to seek any information it requires from any employee of the company in order to perform its duties.
- 9.2 The Committee is authorised to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.

10. Reporting responsibilities

- 10.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall produce a report on the Committee's activities to be included in the Annual Performance Report.

11. Other matters

The Committee shall:

- 11.1 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and Terms of Reference to ensure that it is operating at maximum effectiveness, recommending any changes it considers necessary to the Board for approval.