
NOMINATIONS COMMITTEE

TERMS OF REFERENCE

1 **Composition and Procedure**

1.1 The Nominations Committee shall consist of a minimum of three members, comprising a Chairman and at least two other members. The Nominations Committee shall be appointed by the Board and a majority of the members shall be independent non-executive Directors. The members of the Nominations Committee for the time being shall be:

John Coombe (Committee Chairman)
Paul Williams
Anthony Isaacs

1.2 The Nominations Committee may invite other Directors, Group employees and external advisers to attend meetings as and when deemed appropriate.

1.3 The Board shall appoint the Committee Chairman, who shall be either the Chairman of the Board or an independent non-executive Director. In the absence of the Nominations Committee Chairman or an appointed deputy, the remaining members present shall elect one other member present to chair the meeting. The Chairman of the Board shall not chair the Nominations Committee when it is dealing with the matter of succession to the chairmanship.

1.4 Appointments to the Nominations Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the majority of the Committee members remain independent.

1.5 The Company Secretary or his nominee shall act as the Secretary of the Nominations Committee.

1.6 The quorum for decisions of the Nominations Committee shall be two members, of whom at least one must be a non-executive Director. A duly convened meeting of the Nominations 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 Nominations Committee.

1.7 The Nominations Committee shall meet at least twice a year and at such other times as the Nominations Committee Chairman shall require.

1.8 Meetings of the Nominations Committee may be held by telephone.

1.9 Meetings of the Nominations Committee shall be summoned the Secretary of the Committee at the request of the Nominations Committee Chairman.

1.10 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and any supporting papers, shall be forwarded to each member of the Nominations Committee and any other person required to attend and all other non-executive directors, no fewer than five business days prior to the date of the meeting.

1.11 The Secretary shall minute the proceedings and resolutions of all meetings of the Nominations Committee.

1.12 Minutes of Nominations Committee meetings shall be circulated promptly to all members of the Nominations Committee and the Chairman of the Board and to all other Board members, unless a conflict of interest exists.

2 Annual General Meeting

2.1 The Nominations Committee Chairman shall attend each annual general meeting of the Company prepared to respond to any shareholder questions on the Nominations Committee's activities.

3 Duties

3.1 The Nominations Committee shall:

3.1.1 regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and made recommendations to the Board with regard to any adjustments that the Nominations Committee deems necessary;

3.1.2 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;

3.1.3 keep under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the Group's continued ability to compete effectively in the marketplace;

3.1.4 be responsible for identifying and nominating for the Board's approval, candidates to fill Board vacancies as and when they arise;

3.1.5 before making a Nominations for appointment, evaluate the balance of skills, knowledge and experience of the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;

3.1.6 in identifying suitable candidates the Committee shall, if appropriate, seek advice from external advisers or use open advertising to facilitate the search. The Committee shall consider candidates from a wide range of backgrounds and look beyond a narrow pool of existing directors. Candidates shall be considered on merit and against objective criteria, taking care that appointees have sufficient time available to devote to the position;

3.1.7 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;

3.1.8 review annually the time commitment required from non-executive Directors. Performance evaluation should be used to assess whether the non-executive Directors are spending sufficient time to fulfil their duties; and

3.1.9 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 membership and involvement outside Board meetings.

3.2 The Nominations Committee shall also make recommendations to the Board:

3.2.1 as regards plans for succession for both executive and non-executive Directors, and in particular for the roles of Chairman and Chief Executive;

3.2.2 as regards the re-appointment of any non-executive Director at the conclusion of his or her specified term of office;

3.2.3 as to the continuation or not (as the case may be) in service of any Director who has reached the age of 70;

- 3.2.4 concerning the re-election by shareholders at the annual general meeting of the Company of any Director under the retirement by rotation provisions in the Company's Articles of Association;
- 3.2.5 regarding suitable candidates for the role of senior independent Director;
- 3.2.6 regarding membership of the Audit and Remuneration Committees, in consultation with the relevant Committee Chairman;
- 3.2.7 concerning any matters relating to the continuation in office as a director of any Director at any time; and
- 3.2.8 concerning the appointment of any Director to executive or other office other than to the positions of Chairman and Group Chief Executive, the recommendations for which shall be considered at a Board meeting.

Reporting Responsibilities

- 3.3 The Nominations Committee Chairman shall report formally to the Board on its proceedings after each Nominations Committee meeting.
- 3.4 In the light of its other duties, the Nominations Committee shall make whatever recommendations to the Board it deems appropriate.
- 3.5 The Nominations Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.
- 3.6 The Committee shall, on an annual basis, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and make any appropriate recommendations to the Board.

4 Authority

The Nominations Committee is authorised by the Board:

- 4.1 to seek any information it requires from any employee, consultant and other provider of services to the Company in order to perform its duties; and
- 4.2 to obtain, at the cost of the Company, outside legal or other independent professional advice (including that of search consultants) on any matter within its terms of reference.