

Nomination Committee - Terms of Reference:

References within this Section to “the Committee” mean the Nomination Committee.

1 Membership and Attendance

- 1.1 Members of the Committee shall be appointed by the Board. The Board has determined that membership of the Committee shall be the Chairman of the Board, the Group Chief Executive and the non executive directors of the Company.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Group Director of HR and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods provided that the majority of the Committee members remain independent.
- 1.4 The Board shall appoint the Committee Chairman and it has determined that this should be the Chairman of the Board. In the absence of the Committee Chairman, the remaining members present shall elect one of their number to chair the meeting. That person shall be an independent non-executive director. 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 shall act as the Secretary of the Committee.

3 Quorum

- 3.1 The quorum necessary for the transaction of business shall be two of whom at least one must be independent non-executive directors. 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.

4 Frequency of meetings

- 4.1 The Committee shall meet at least twice a year on the same day as meetings between the Chairman and the non-executive directors are planned.

5 Annual General Meeting

- 5.1** The Chairman of the Committee shall be prepared to respond to any shareholder questions at the Annual General Meeting on the committee's activities.

6 Duties

- 6.1** The Committee shall:

- regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- 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 what skills and expertise are therefore needed on the Board in the future;
- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- before making an appointment, evaluate the balance of skills, knowledge and experience 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:
 - use open advertising or the services of external advisers to facilitate the search;
 - consider candidates from a wide range of backgrounds; and
 - consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
 - 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;
 - review annually the time required from non-executive directors. Each non-executive director shall 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.

- 6.2** The Committee shall also make recommendations to the Board concerning:

- plans for succession for both executive and non executive directors and in particular for the key roles of Chairman and Chief Executive;
- suitable candidates for the role of senior independent director;
- membership of Audit and Remuneration Committees, in consultation with the chairmen of those committees;
- 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 the knowledge skills and experience required;
- the continuation (or not) in service of any director who has reached the age of 70;
- the re-election by shareholders of any director under the “retirement by rotation” provisions in the Company’s Articles of Association having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 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 the director’s service contract; and
- the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full Board.

7 Reporting responsibilities

- 7.1** The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2** The 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 hasnot been used.

8 Other

- 8.1** The Committee shall, annually, reviews its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

9 Authority

- 9.1** The Committee is authorised 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.