

Nomination committee terms of reference

1. Constitution

1.1 The committee has been established by a resolution of the board of directors of the Company (the “**Board**”) and is to be known as the Nomination Committee (the “**Committee**”).

2. Membership

2.1 The members of the Committee shall be appointed by the Board from amongst the directors of the Company in consultation with the Chair of the Committee and shall consist of not less than two members. The members of the Committee shall consist of a majority of independent non-executive directors of the Company.

2.2 The Chair of the Committee shall be appointed by the Board.

2.3 The Company Secretary will be the Secretary of the Committee and in absence of the Company Secretary the Committee may at each meeting appoint one of their number to be the Secretary of the Committee in that meeting.

2.4 Each member of the Committee shall disclose to the Committee:

- (a) any personal, financial or other interest in any matter to be decided or discussed by the Committee; and/or
- (b) any potential conflict of interest arising from a cross-directorship or otherwise; and

any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee or absent themselves from all or part of the meeting of the Committee in question.

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. Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

2.6 Membership of the Committee shall be noted in the annual directors’ report of the Company.

3. Attendance at Meetings

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Financial Officer, other senior management, any other member of the Board and external advisers may be invited to attend for all or part of any meeting, as and when appropriate but such persons shall have no right of attendance.

4. Proceedings at Meetings

4.1 The quorum for a meeting of the Committee shall be two members of the Committee. 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.

4.2 Meetings may be held by telephone.

4.3 Subject as provided in paragraph 2.4 above, each member of the Committee shall have one vote. In the event of an equality of votes, the Chair of the Committee shall have a second or casting vote (again subject as provided in paragraph 2.4 above). In the absence of the Chair or any appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

5. Frequency of Meetings

Meetings shall be held at least twice a year and at such other times as the Chair of the Committee shall require. The Chair of the Board may request a meeting if they reasonably consider that one is necessary.

6. Notice of Meetings

6.1 Meetings of the Committee shall be called by the Company Secretary 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 by the Company Secretary to each member of the Committee, any other person required to attend and all other non-executive directors no later than five working days (which notice may be waived by any director) before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.

7. Minutes of Meetings

7.1 The Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board, including the names of those present and in attendance.

7.2 The Company Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interests and minute them accordingly.

8. Annual General Meeting

The Chair of the Committee shall attend the annual general meeting of the Company and be available to answer shareholder questions of the Committee's activities.

9. Authority

9.1 The Committee is authorised by the Board to investigate and undertake any activity within its terms of reference. It is authorised to seek any information it properly requires from any director, employee or professional adviser and all directors, employees and professional advisers are directed to co-operate with any request made by the Committee.

9.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The cost of obtaining such advice or services shall be borne by the Company within such limits as may be authorised by the Board from time to time.

10. Duties

10.1 The duties of the Committee are as follows:

- (a) to be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise save that the appointments as Chair of the Board or Chief Executive Officer should be matters for the whole Board;
- (b) 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;
- (c) to obtain details of and review any interests a candidate for a vacancy may have which conflict or may conflict with the interests of the Company. The Committee shall consider whether, despite any such conflict, there are nevertheless grounds for recommending the candidate for appointment and for the Board to authorise the relevant conflict;
- (d) review annually the time required from a non-executive director. Performance evaluation should be used to assess whether the non-executive director is spending enough time to fulfil their duties;
- (e) use open advertising or the services of external advisers to facilitate the search for appropriate candidates;
- (f) consider candidates from a wide range of backgrounds and look beyond the “usual suspects”;
- (g) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- (h) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (i) give full consideration to succession planning for both executive and non-executive directors and other senior management 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;
- (j) 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;
- (k) 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;
- (l) make a statement in the Company’s annual report and accounts about its activities; the process used for appointments and explain if external advice or open advertising has not been used; the membership of the Committee; number of Committee meetings and attendance over the course of the year;
- (m) make available its terms of reference for inspection at the registered office of the Company which explain clearly the Committee’s role and the authority delegated to it by the Board;

- (n) 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;
- (o) at least once a year, review its own performance, 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;
- (p) consider such other matters as may be requested by the Board; and
- (q) the Committee shall make recommendations to the Board:
 - (i) as regards plans for succession for both executive and non-executive directors;
 - (ii) as regards 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;
 - (iii) relating to the membership of the Audit and Remuneration Committees, in consultation with the chairmen of those committees;
 - (iv) concerning the re-election by shareholders of any director under the ‘retirement by rotation’ provisions in the Company’s articles of association 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;
 - (v) concerning suitable candidates for the role of senior independent director (if applicable);
 - (vi) concerning 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; and
 - (vii) concerning the terms and conditions on which authorisation of any conflicts of interest should be given by the Board upon appointment of any director.

11. **Reporting Procedures**

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

12. **General**

- 12.1 The recommendations of the Committee minutes must be approved by the Board before they can be implemented.
- 12.2 Any of the terms set out in this document may be varied by a majority resolution of the Board.

