

Nomination Committee Terms of Reference

Constitution

1. The Board has resolved to establish a committee of the Board to be known as the Nomination Committee (the Committee).

Purpose

2. The Nomination Committee is a committee of the Board appointed in accordance with Article 133 of the Company's Articles of Association. It shall carry out a formal selection process of candidates, and then propose to the Board any new appointments, whether of executive or non executive directors.

Membership

3. The Committee shall be appointed by the Board from time to time and the majority of its members shall be independent non executive directors of the Company. A quorum shall be two members both of whom must be independent non executive directors. The Committee members will normally serve for a period of three years extendable by no more than two additional three-year periods unless the Board otherwise determines, subject to the members' retirement as directors by rotation in accordance with the terms of the Company's Articles of Association and the Combined Code on Corporate Governance.

4. The Chairman of the Committee shall be the Chairman of the Board or a non executive director and shall be appointed 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.

5. The Chairman and members of the Committee shall be identified in the Company's Annual Report.

Meetings

6. Only members of the Committee have a right to attend Committee Meetings. Other individuals such as the Chief Executive, the Company Secretary, the HR Director and external advisors may be invited to attend for all or part of any meeting as and when appropriate.

7. The Committee shall document its discussions and the Committee Chairman shall report formally to the Board on its proceedings after each meeting.
8. The Committee shall appoint one of its number, or the Company Secretary, to be Secretary to the Committee.
9. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and to the Chairman of the Board and, once agreed, to all other members of the Board unless a conflict of interest exists.
10. The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.
11. The Committee will meet as necessary but at least twice a year.

Duties

12. 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 has not been used for the recruitment of non executive directors or a new chairman.
13. The Committee shall establish and carry out a formal selection process of candidates and make recommendations to the Board on all new Board appointments, shall prepare appropriate role descriptions and adopt appropriate recruitment procedures in light of the Code.
14. The Committee may consider nominees put forward by any member of the Board.
15. The Committee may employ the services of search consultants at the Company's expense. With regards to this, the Committee shall follow the "Guidelines for Seeking Independent Professional Advice" adopted by the Board.
16. All recommendations of the Committee, in respect of the appointment of Directors, shall be referred to the Board and shall only take effect when approved by resolution of the Board.
17. In nominating people to be non executive directors the Committee shall take into account Paragraph A.3.2 of the Code (set out in the Listing Rules of the UK Listing Authority) which provides that at least half of the Board, excluding the Chairman, should comprise non executive directors determined by the Board to be independent.
18. The Committee shall regularly review (at least annually) the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board as appropriate.

19. The Committee shall consider the policy regarding multiple directorships for executive directors/non executive directors and make recommendations to the Board as appropriate

20. The Committee shall give full consideration to succession planning for directors in the course of its work.

21. The Committee shall review annually the time commitment required from non executive directors.

22. The Committee shall ensure that, on appointment, non executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment.

23. The Committee shall make recommendations to the Board concerning:

23.1 membership of the Audit and Remuneration Committees;

23.2 the re-appointment of any non executive director at the conclusion of his or her specified term of office;

23.3 the re-election by shareholders of any director under the 'retirement by rotation' provisions in the Company's articles of association.

24. The Committee shall 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.