

Chapter 9: Terms of Reference of the Nomination Committee

1. Membership

- 1.1 The members of the Nomination Committee shall be appointed by the Board from amongst the directors of the Company in consultation with the Chairman of the Nomination Committee and shall consist of not less than two members. The members of the Nomination Committee shall consist of a majority of independent non-executive directors of the Company.
- 1.2 The Chairman of the Nomination Committee shall be appointed by the Board.
- 1.3 The General Counsel or his/her delegate shall be the secretary of the Nomination Committee.
- 1.4 Each member of the Nomination Committee shall disclose to the Nomination Committee:
 - 1.4.1 any personal, financial or other interest in any matter to be decided or discussed by the Nomination Committee; and/or
 - 1.4.2 any potential conflict of interest arising from a cross-directorship or otherwise; and
 - 1.4.3 any such member shall abstain from voting on resolutions of the Nomination 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 Nomination Committee or absent himself from all or part of the meeting of the Nomination Committee in question.
- 1.5 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 Nomination 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 Nomination Committee.
- 1.6 Membership of the Nomination Committee shall be noted in the annual directors' report of the Company.

2. Attendance at Meetings

- 2.1 Only members of the Nomination Committee have the right to attend Nomination Committee meetings. However, other individuals such as the Chief Executive Officer, the head of human resources, 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.

3. Proceedings at Meetings

- 3.1 The quorum for a meeting of the Nomination Committee shall be two members of the Nomination Committee. A duly convened meeting of the Nomination 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 Nomination Committee.
- 3.2 Meetings may be held by telephone.
- 3.3 Subject as provided in paragraph 1.4 above, each member of the Nomination Committee shall have one vote. In the event of an equality of votes, the Chairman of the Nomination Committee shall have a second or casting vote (again subject as provided in paragraph 1.4 above). In the absence of the Chairman or any appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

4. Frequency of Meetings

- 4.1 Meetings shall be held at least twice a year and at such other times as the Chairman of the Nomination Committee shall require.

5. Notice of Meetings

- 5.1 Meetings of the Nomination Committee shall be called by the Secretary of the Nomination Committee at the request of the Chairman of the Nomination Committee.

- 5.2 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 Secretary of the Nomination Committee to each member of the Nomination 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 Nomination Committee members and to other attendees as appropriate at the same time.

6. Minutes of Meetings

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

- 6.2 The Secretary of the Nomination Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interests and minute them accordingly.

7. Annual General Meeting

- 7.1 The Chairman of the Nomination Committee shall attend the annual general meeting to answer shareholder questions of the Nomination Committee's activities.

8. Authority

- 8.1 The Nomination 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 Nomination Committee.

- 8.2 The Nomination 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.

9. Duties

The duties of the Nomination Committee are as follows:

- 9.1 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 Chairman of the Board or Chief Executive Officer should be matters for the whole Board;
- 9.2 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;
- 9.3 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 Nomination 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;

- 9.4 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;
- 9.5 use open advertising or the services of external advisers to facilitate the search for appropriate candidates;
- 9.6 consider candidates from a wide range of backgrounds and look beyond the “usual suspects”;
- 9.7 consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- 9.8 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 9.9 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;
- 9.10 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;
- 9.11 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;
- 9.12 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 Nomination Committee; number of Nomination Committee meetings and attendance over the course of the year;
- 9.13 make available its terms of reference for inspection at the registered office of the Company which explain clearly the Nomination Committee’s role and the authority delegated to it by the Board;
- 9.14 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;
- 9.15 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;
- 9.16 consider such other matters as may be requested by the Board; and
- 9.17 the Nomination Committee shall make recommendations to the Board:
 - 9.17.1 as regards plans for succession for both executive and non-executive directors;
 - 9.17.2 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;
 - 9.17.3 membership of the Audit and Remuneration Nomination Committees, in consultation with the chairmen of those committees;
 - 9.17.4 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;

- 9.17.5 concerning suitable candidates for the role of senior independent director (if applicable);
- 9.17.6 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
- 9.17.7 concerning the terms and conditions on which authorisation of any conflicts of interest should be given by the Board upon appointment of any director.

10. Reporting Procedures

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

11. General

- 11.1 The recommendations of the Nomination Committee minutes must be approved by the Board before they can be implemented.
- 11.2 Any of the terms set out in this chapter 9 may be varied by a majority resolution of the Board.