

NOMINATION COMMITTEE TERMS OF REFERENCE

Membership

The Committee shall comprise at least three members. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chair of the Committee.

Meetings

The Committee meets twice per year and additionally as required. It can invite members of executive management to attend. The secretary maintains an inspection copy of the minutes, which are available to all directors.

Reporting

The annual report contains a separate section describing the work of the Committee in discharging its responsibilities. The Committee Chairman attends the AGM prepared to respond to any shareholder questions on the Committee's activities.

Role

To ensure that appropriate procedures are in place for the nomination, selection, training and evaluation of directors. To ensure that effective succession plans are maintained for the Board and senior management, with due regard for the benefits of diversity on the Board, including gender, social and ethnic backgrounds, cognitive and personal strengths.

Terms of Reference

- 1 To receive a bi-annual Group Chairman's report on board structure, size, diversity (including gender), composition and successional needs, keeping under review the balance of membership between executive and non-executive and the required blend of skills, experience, knowledge and independence on the Board.
- 2 To ensure the Group's governance facilitates efficient, effective and entrepreneurial management that can deliver shareholder value over the longer term.
- 3 To keep under review the leadership and succession needs of the organisation with a view to ensuring the long-term success of the Group, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future.
- 4 To formally propose new executive and non-executive directors for the approval of the whole Board, following a formal, rigorous and transparent procedure for such an appointment.
- 5 To ensure that all directors undergo an appropriate induction programme and to consider any training requirements for the Board as a whole. Individual training should be discussed and agreed with the Group Secretary.
- 6 To ensure that Board Committee membership is refreshed and undue reliance is not placed on particular individuals when deciding chair/membership of committees.
- 7 To keep under review the number of external directorships held by the directors of the Company. Provision 15 of the UK Corporate Governance Code recommends that, when making new appointments, the Board should take into account other demands on directors' time. Prior to appointment, significant commitments should be disclosed with an indication of the time involved. Additional external appointments should not be undertaken without prior approval of the board, with the reasons for permitting significant appointments explained in the annual report. Full-time executive directors should not take on more than one non-executive directorship in a FTSE 100 company or other significant appointment.
- 8 To ensure that all directors offer themselves for annual re-election by shareholders, in accordance with the UK Corporate Governance Code (Provision 18) or the Articles of Association, having regard to their performance and commitment to the role (particularly in relation to non-executive directors being re-elected for a term beyond six years). Appropriate biographies of directors should be presented in the annual report.

- 9 To keep under review the declarations by directors of situational and transactional conflicts/potential conflicts of interest and to recommend to the Board any limits or conditions when giving authorisation as permitted by the Company's Article 91.
- 10 To review and update annually its terms of reference, recommending any changes to the Board and to evaluate its own membership and performance on a regular basis.