

Nominations Committee

Terms of Reference

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Nominations Committee – Terms of Reference

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Nominations Committee – Terms of Reference

1.0 Administration

A Committee of the Board of Directors with delegated authority to review the composition of the Board and to plan for its progressive refreshing with regard to balance and structure as well as succession planning.

1.1 Change Control:

Version	Author of Change	Date	Details of Change

Nominations Committee – Terms of Reference

2.0 Purpose and Objective:

A Committee of the Board of Directors with delegated authority to review the composition of the Board and to plan for its progressive refreshing with regard to balance and structure as well as succession planning.

3.0 Authority:

3.1 The Committee shall:

- 3.1.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board compared to its current position and future requirements and make recommendations to the Board with regard to any changes;
- 3.1.2 give full consideration to succession planning for directors and other senior executives, taking into account what skills and expertise are needed on the Board;
- 3.1.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 3.1.4 before making an appointment, evaluate the balance of skills, knowledge, independence, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.

3.2 In identifying suitable candidates, the Committee shall:

- 3.2.1 use the services of external advisers to facilitate the search;
- 3.2.2 consider candidates from a wide range of backgrounds; and
- 3.2.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- 3.2.4 keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the market place;

- 3.2.5 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 3.2.6 for the appointment of a chairman, prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the board before the appointment and any changes to the chairman's commitments should be reported to the Board as they arise;
- 3.2.7 prior to the appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest;
- 3.2.8 review the results of the board performance evaluation process that relate to the composition of the board;
- 3.2.9 review annually the time required from non-executive directors; and
- 3.2.10 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.

3.3 The Committee shall also make recommendations to the Board concerning:

- 3.3.1 plans for succession for both executive and non-executive directors and, in particular, for the key roles of Chairman and Chief Executive;
- 3.3.2 suitable candidates for the role of senior independent director;
- 3.3.3 membership of the Audit and Remuneration Committees, in consultation with the Chairmen of those Committees;
- 3.3.4 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;
- 3.3.5 the re-election by shareholders of any director under the 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;
- 3.3.6 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

3.3.7 the appointment of any director to executive or other office.

3.4 In exercising their rights and duties as the Committee, the Committee and its members shall have regard to the duties of directors, the Board and its Committees set out in the Companies Act 2006.

3.5 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.

3.6 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.

4.0 Membership:

4.1 The Committee shall be appointed by the Board and shall comprise of a Chairman and at least two other members.

4.2 A majority of members of the Committee shall be non-executive directors who are independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgement.

4.3 Appointments to the Committee shall be for a period of up to three years, which may be extended by two further three year periods provided that the majority of the Committee members remain independent.

4.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals, such as the Chief Executive and external advisors, may be invited to attend for all or part of any meeting, as and when appropriate.

4.5 The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chairmanship.

4.6 If a regular member is unable to act due to absence, illness or any other cause, the Chairman of the Committee may appoint another director of the Company to serve as an alternate member having due regard to maintaining the required balance of executive and independent non-executive members.

4.7 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence

5.0 Roles and Responsibilities:

The Company Secretary shall act as the Secretary of the Committee.

6.0 Frequency of meetings and quorum:

6.1 The quorum necessary for the transaction of business shall be three, of whom two must be 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 or exercisable by the Committee.

6.2 The Committee shall meet not less than twice a year and at such times as the Chairman of the Committee shall require.

7.0 Meeting Operations:

7.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.

7.2 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 to each member of the Committee no fewer than 5 working days prior to the date of the meeting. Supporting papers shall be sent to the Committee members and to other attendees, as appropriate, at the same time.

7.3 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

7.4 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.

7.5 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8.0 Committee evaluation and ToR review:

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 for approval.

9.0 Reporting requirements:

9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9.3 The Committee shall make a statement in the annual report about its activities and the process used to make any appointments and explain if external advice or open advertising has not been used. This statement should include a description of the board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.