

Nomination Committee Terms of Reference

1. Membership

- 1.1 The Nomination Committee (“the Committee”) comprises not less than three directors appointed by the Board from time to time. Appointments are made on the recommendation of the Nomination Committee in consultation with the Chairman of the Committee. A majority of members of the Committee must be independent non-executive directors.
- 1.2 The Chairman or an independent non-executive director should chair the Committee but the Chairman should not chair the Committee when it is dealing with the appointment of a successor to the chairmanship.
- 1.3 In addition to the remuneration paid to non-executive directors, the Company is entitled to pay further remuneration to non-executive directors who are members of the Committee to recompense them for the additional responsibilities of membership.

2. Meetings

- 2.1 The Committee will meet as often as is required and have a minimum of one meeting a year.
- 2.2 No-one other than the Committee is entitled to be present at the meetings of the Committee – it is for the Committee to decide if non-members should attend. The Committee may invite external advisers to attend meetings where it considers this to be appropriate.

2.3 The Board may determine the quorum for meetings of the Committee from time to time. In the absence of any such determination, the quorum will be two.

2.4 Sufficient time must be allowed to enable the Committee to undertake as full a discussion as may be required.

3. Services

3.1 The Committee has access to the services of the Group HR Director in connection with:

- assisting the chairman of the Committee in planning the Committee's work
- drawing-up meeting agendas
- maintenance of minutes
- collection and distribution of information, and
- the provision of any necessary practical support.

3.2 The Committee must receive papers in a timely manner to enable full and proper consideration to be given to the issues.

3.3 The Board must make funds available to the Committee to enable it to take independent advice when the Committee reasonably believes that it is necessary to do so.

4. Responsibilities

The responsibilities of the Committee are to:

- be responsible for identifying and nominating for the approval of the Board, candidates to fill vacancies on the Board and Board committees as and when they arise
- 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
- 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
- consider candidates from a wide range of backgrounds
 - give full consideration to succession planning 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
 - regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and made recommendations to the Board with regard to any changes
- 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
- make a statement in the 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
 - the number of Committee meetings and attendance over the course of the year
- 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

- make recommendations to the Board regarding:
 - plans for succession for both executive and non-executive directors
 - the re-appointment of any non-executive director at the conclusion of their specified term of office
 - the re-election by members of any director under the retirement by rotation provisions in the company's articles of association
 - any matters relating to the continuation in office of any director at any time, and
 - the appointment of any director to executive or other office other than to the positions of Chairman and chief executive, the recommendation for which would be considered at a meeting of the Board.

5. Reviewing effectiveness

5.1 The Committee must review annually its terms of reference and its own effectiveness and recommend any necessary changes to the Board.

5.2 The Board must review the Committee's effectiveness annually.

6. Availability of terms of reference

The terms of reference of the Committee will be included on the Company's website and will be made available to members on demand.

Approved – 30 September 2008