

Nomination & Corporate Governance Committee

Terms of Reference

1. Membership

- 1.1. Members of the Committee shall be appointed by the Board. The Committee shall be made up of at least three members, who shall be independent non-executive Directors.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate as necessary.
- 1.3. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided that the majority of the Committee members remain independent.
- 1.4. The Chairman of the Board shall be the Committee Chairman and may, notwithstanding the provisions of section 1.3, serve in excess of three three-year periods. In the absence of the Chairman the Senior Independent Director shall chair the meeting. In the absence of both the Chairman and the Senior Independent Director, the remaining members present shall elect one of their number to chair the meeting. The Senior Independent Director shall chair the Committee when it is dealing with the matter of succession to the chairmanship.

2. Secretary

- 2.1. The Company Secretary or their nominee shall act as Secretary to the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two. 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 in or exercisable by the Committee.

4. Frequency of Meetings

- 4.1. The Committee shall meet at least twice a year, and as otherwise required.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the 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 to each member of the Committee and any other person required to attend no later than three working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes of Meetings

- 6.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Minutes of Committee meetings shall be circulated to all members of the Board.

7. Annual General Meeting

- 7.1. The Chairman of the Committee shall, at the Annual General Meeting, be prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

- 8.1. The Committee shall:
 - 8.1.1. regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
 - 8.1.2. give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed in the future;
 - 8.1.3. be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
 - 8.1.4. before making an appointment, evaluate the balance of skills, knowledge, 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. In identifying suitable candidates the Committee shall:
 - 8.1.4.1. use open advertising or use the services of external advisers to facilitate the search;
 - 8.1.4.2. consider candidates from a wide range of backgrounds; and
 - 8.1.4.3. consider candidates on merit and with due regard for the benefits of diversity on the Board, including gender, and against objective criteria, taking care that

appointees have enough time available to devote to the position;

- 8.1.5. for the appointment of a chairman, the Committee should prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairman's commitments should be reported to the Board as they arise;
- 8.1.6. 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;
- 8.1.7. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 8.1.8. review annually the time required from non-executive Directors. Performance evaluation should be used to assess whether the non-executive Directors are spending enough time to fulfil their duties;
- 8.1.9. 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;
- 8.1.10. approve the terms of reference for any external person or agency engaged to facilitate the evaluation of Board performance;
- 8.1.11. review the results of the Board performance evaluation process that relate to the composition of the Board and corporate governance generally;
- 8.1.12. keep under review corporate governance developments (including ethics-related matters) that might affect the Company, with the aim of ensuring that the Company's corporate governance policies and practices continue to be in line with best practice;
- 8.1.13. ensure that the principles and provisions set out in the UK Corporate Governance Code (the "Code") (and any other corporate governance codes that apply to the Company) are observed;
- 8.1.14. review the disclosures and statements made in the report to shareholders on corporate governance contained in the Annual Report; and
- 8.1.15. receive and consider reports on views expressed by shareholders, shareholder representative bodies and other interested parties in relation to corporate governance.

8.2. The Committee shall also make recommendations to the Board

concerning:

- 8.2.1. formulating plans for succession for both executive and non-executive Directors and in particular for the key roles of Chairman and Chief Executive;
- 8.2.2. suitable candidates for the role of Senior Independent Director;
- 8.2.3. membership of the Audit, Remuneration and other Board Committees, in consultation with the Chairmen of those Committees;
- 8.2.4. 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;
- 8.2.5. the re-election by shareholders of any Director under the annual re-election provisions of the UK Corporate Governance Code or the 'retirement by rotation' 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 and the need for progressive refreshing of the Board (particularly in relation to Directors being re-elected for a term beyond six years);
- 8.2.6. 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 (if applicable);
- 8.2.7. 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 full Board; and
- 8.2.8. any changes to practices that are required in relation to corporate governance.

9. Reporting Responsibilities

- 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 Company's Annual Report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used and its policy on diversity, including gender. Where an external search

consultancy has been used, it shall be identified in the Annual Report and a statement made as to whether it has any other connection with the company.

10. Other

- 10.1 The Committee shall give due consideration to laws and all appropriate regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing Rules and other applicable rules, as appropriate;
- 10.2. 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.

11. Authority

- 11.1. The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 11.2. 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.

Approved by Board: 10th December 2013