

NOMINATION COMMITTEE (Members & Terms of Reference)

Members of committee : **N Wright (Chairman)**
 S Daykin

TERMS OF REFERENCE

On 29th January 2004, the Main Board decided that the Remuneration Committee should also take on the responsibilities that otherwise be undertaken by a Nomination Committee - should such exist. These Terms of Reference simply define those additional duties as follows:-

Duties

The Committee is responsible for :-

- 1 Identifying and nominating for the approval of the Main Board, candidates to fill Board vacancies as and when they arise.
- 2 Evaluating the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, defining the role and capabilities required for the particular appointment.
- 3 Subjecting to a rigorous review non-executive directors who are up for re-election and a term beyond six years, whilst taking into account the need for progressive refreshing of the Board.
- 4 Considering candidates from a wide range of backgrounds in order to bring broad commercial expertise and insight to the workings of the Board.
- 5 Fully considering succession planning in the course of its work, having regard for the future course of the Company and what skills and expertise may therefore be required on the Board in the future.
- 6 Undertaking a regular review of the structure, size and composition of the Board (including its skills, knowledge and experience) and making recommendations to the Board with regard to any changes.
- 7 Considering the leadership needs of the business, both executive and non-executive, with a view to ensuring its continued competitiveness in the marketplace.
- 8 Making a statement in the Annual Report about its activities; the process used for appointments and explaining if external advice or open advertising has not been used in the appointment of a chairman or non-executive director - where an external search company has been used, an explanation as to whether it has any other connection with the Company; 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; and, the membership of the Committee, number of Committee meetings, and attendance over the course of the year.
- 9 Making available its Terms of Reference to shareholders.
- 10 Making recommendations to the Board as follows:-
 - (a) Regarding plans for succession for both executive and non-executive directors.
 - (b) Regarding the reappointment of any non-executive director at the conclusion of their specified term of office.
 - (c) Regarding the re-election by shareholders of any director under the retirement by rotation provisions in the Company's Articles of Association.
 - (d) Concerning any matters relating to the continuation in office of any director at any time.