



Terms of Reference for the Nomination Committee

(Approved: 14 December 2016)

1. Constitution and Membership

- 1.1 The Committee is constituted with the delegated authority of the Board in respect of the functions and powers set out in these terms of reference. The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation, the establishment of sub-committees which are to report back to the Committee.
- 1.2 The Committee shall be appointed by the Board and shall consist of not less than two members, the majority of whom shall be independent Non-Executive Directors.
- 1.3 A quorum shall be two members, both of whom must be independent Non-Executive Directors. A duly convened meeting of the Committee at which a quorum is present in person or by telephone, audio, video or other similar real time means of participation shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. The Committee may also exercise its powers and duties by resolution in writing signed by all Committee members.
- 1.4 The Chairman of the Board will be the Chairman of the Committee. In the Chairman's absence the Senior Independent Non-Executive Director shall chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the appointment of a successor to the Chairmanship.
- 1.5 The Committee shall review its own constitution, performance and Terms of Reference at least annually to ensure it is fulfilling its responsibilities effectively.
- 1.6 The Company Secretary shall act as the Secretary for the Committee.

2. Attendance at Meetings

Only members of the Committee have the right to attend Committee meetings but other individuals may attend at the invitation of the Committee.

3. Frequency of Meetings

The Committee shall meet at such times as any member may require but as a minimum once each year.

4. Minutes of Meetings

The Secretary shall keep appropriate minutes of its proceedings which will be circulated to all members of the Committee and all members of the Board unless it would be inappropriate to do so.

5. Authority

The Committee is authorised by the Board to:-

- 5.1 seek any information it requires from any employee of the Company in order to perform its duties; and
- 5.2 obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference.

6. Role and Responsibilities

- 6.1 The role of the Committee is to ensure that there is a formal, rigorous and transparent procedure for the appointment of new directors to the Board, to lead the process for Board appointments and make recommendations to the Board. The Committee is to assist the Board in ensuring its composition is regularly reviewed and refreshed so that it is effective and able to operate in the best interests of shareholders; and in doing so, the Committee shall work and liaise with other Board committees, as appropriate.
- 6.2 The Committee shall:
 - 6.2.1 regularly review the balance, structure, size and composition of the Board. It will also evaluate the balance of skills, experience, independence, knowledge and diversity on the Board and, in the light of this evaluation, make recommendations to the Board with regard to any changes that may be necessary;
 - 6.2.2 determine and review the Board's policy on diversity and as appropriate the setting of measurable objectives for implementing the policy;
 - 6.2.3 lead the process for Board appointments and make recommendations to the Board about filling vacancies on the Board and appointing additional Board directors. In identifying suitable candidates the Committee shall:
 - 6.2.3.1 prepare a description of the role and capabilities required for a particular appointment;
 - 6.2.3.2 consider using open advertising or the services of an external search consultancy;
 - 6.2.3.3 consider candidates from a wide range of backgrounds bearing in mind the Board's policy on diversity, including gender;

- 6.2.3.4 consider candidates on merit and against objective criteria with due regard for the benefits of diversity taking care that appointees have enough time available to devote to the position.
- 6.2.4 keep under review the leadership needs of the Company and the Group, satisfy itself that processes and plans are in place for succession planning for both the Board and senior appointments, and make recommendations to the Board in relation to succession planning;
- 6.2.5 periodically review the time commitment for Non-Executive Directors. Performance evaluation may be used to assess whether the Non-Executive Directors are dedicating enough time to fulfil their duties and the Committee shall review the results of the performance evaluation process that relate to Board composition;
- 6.2.6 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 commitments, Committee service and involvement outside Board meetings and details of the induction process;
- 6.2.7 ensure that all new Directors undertake an appropriate induction programme to ensure that they are fully informed about strategic and commercial issues affecting the Company and the Group and the markets in which they operate as well as their duties and responsibilities as a Director; consider any training requirements for the Board as a whole;
- 6.2.8 require all Board appointees to disclose any other business interests that could give rise to a conflict; consider and, if appropriate, authorise situational conflicts of interest of Directors and potential directors; keep under review at least annually potential conflicts of interests of Directors disclosed to the Company and develop appropriate processes for managing such conflicts;
- 6.2.9 make recommendations to the Board on the re-appointment of any Non-Executive Director, or the re-election by shareholders of any Director under the retirement by rotation provision in the Company's Articles of Association, giving consideration to their performance and ability to continue to contribute to the Board having regard to the knowledge, skills and experience required;
- 6.2.10 make recommendations to the Board concerning suitable candidates for the role of Senior Independent Director and membership of the Audit and Remuneration Committees;
- 6.2.11 give due consideration to all relevant laws and regulations including the Companies Act 2006, the requirements of the UK Corporate Governance Code, and the Listing Rules, Prospectus Rules and Disclosure and Transparency Rules of the Financial Conduct Authority; and

6.3 in carrying out the above, each member of the Committee shall act in a way which it considers, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole.

7. Reporting procedures

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

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

7.3 The Chairman of the Committee should be present at the Company's Annual General Meeting to respond to questions on matters within the responsibility of the Committee.

7.4 The Committee shall report to shareholders on its work in the annual report, including the process used in relation to Board appointments, a description of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy and progress against its objectives; it shall also report on the use of external search agencies and whether they have any connection with the Company.

8. Other matters

The Committee shall have access to sufficient resources to carry out its duties, including access to the company secretary and to appropriate external professional resource at the Company's expense.