

TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE

NOVEMBER 2011

1. OBJECTIVES

The Nomination Committee (the "Committee") is a sub-committee of the Board with delegated responsibility to:

- 1.1. Identify and nominate candidates for the roles of Chairman, Chief Executive Officer, Chief Financial Officer, any other Executive Director and Non-executive Director taking due regard to the Company's obligations prescribed by law and under the UK Corporate Governance Code as contained in the UK Listing Authority Listing Rules.
- 1.2. Review and oversee effective succession planning in relation to any of the posts set out above and will be consulted in relation thereto.

2. MEMBERSHIP

- 2.1. The Committee shall be appointed by the Board and shall comprise a minimum of three independent Non-executive Directors, who will normally be the Senior Independent Director, the chairman of the Remuneration Committee and the chairman of the Audit Committee, and also the Chairman of the Board. The members of the Committee are:
 - John Barton (Chairman)
 - Clive Butler
 - Penny Hughes
 - David Lowden
- 2.2. 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.
- 2.3. The members of the Committee will serve at the discretion of the Board and may be removed by the Board. 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 the director remains independent.
- 2.4. Only members of the Committee have the right to attend Committee meetings. However other individuals may be invited to attend for all or part of any meeting, as and when appropriate.

3. SECRETARY

- 3.1. The Company Secretary or his nominee shall act as secretary of the Committee unless the Committee determines otherwise.

4. QUORUM

- 4.1. The quorum necessary for the transaction of business shall be three, two of whom must be the Company Chairman and the Committee Chairman. If the Committee Chairman is also the Company Chairman, the Senior Independent Director must be present to constitute a quorum. 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.

- 4.2. Any decision of the Committee shall be made by majority vote with the chairman of the Committee having a casting vote.

5. FREQUENCY OF MEETINGS

- 5.1. The Committee shall meet at least once annually and at such other times as deemed necessary by the Committee Chairman.

6. NOTICE OF MEETINGS

- 6.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any member thereof.
- 6.2. 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 fewer than four working days in advance of meetings. Supporting papers shall be sent to Committee members, and to other attendees as appropriate, at the same time. The members of the Committee can waive this requirement if all consent. The agenda for meetings shall be determined by the Chair of the Committee in consultation with other members of the Committee, as appropriate.

7. MINUTES OF MEETINGS

- 7.1. The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2. Minutes of Committee meetings shall be circulated to all members of the Committee and, once agreed, shall be made available, if requested, to other members of the Board unless a conflict of interest exists. Minutes will be tabled for approval at the next subsequent meeting.

8. ANNUAL GENERAL MEETING

- 8.1. The Chair of the Committee shall attend the AGM and answer any questions, through the Chair of the Board on the Committee's activities and their responsibilities.

9. DUTIES AND RESPONSIBILITIES

The Committee shall:

- 9.1. review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes that are deemed necessary;
- 9.2. give full consideration to succession planning for the key roles of Chairman, Chief Executive Officer, Chief Financial Officer, any other Executive Directors and other senior executives, as defined by the Board, 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;
- 9.3. be responsible for identifying and nominating candidates for the approval of the Board, to fill Board vacancies as and when they arise;

- 9.4. 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;
- 9.5. prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 9.6. 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;
- 9.7. 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;
- 9.8. 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;
- 9.9. review annually the structure, size and capability of the Executive team on advice from the Chief Executive Officer; and
- 9.10. ensure that the balance of the Board and its Committees is consistent with good corporate governance and in particular complies with the minimum requirements of the Combined Code and report to the Board on such matters where appropriate.

The Committee shall also make recommendations to the Board concerning:

- 9.11. the appointment to the key roles of Chairman and the Chief Executive Officer;
- 9.12. the appointment to the role of Chief Financial Officer and any other Executive Director;
- 9.13. suitable candidates for the role of senior independent director;
- 9.14. membership of the Audit and Remuneration Committees, in consultation with the chairmen of those committees;
- 9.15. the re-appointment of any Non-executive Director at the conclusion of their specified term of office on the recommendation of the Company Chairman;
- 9.16. the re-election by shareholders of any director under 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
- 9.17. 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.

10. REPORTING RESPONSIBILITIES

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

- 10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3. The Committee shall make a statement in the annual report about its activities, the process used to make appointments and to explain should external advice or open advertising not be used.

11. OTHER

The Committee shall:

- 11.1. have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 11.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 11.3. give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate;
- 11.4. 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.

12. AUTHORITY

- 12.1. The Committee is authorised by the Board to investigate any activity in its Terms of Reference. It is authorised to seek any information it requires from any employee of the Group. All employees will be directed to co-operate with any request made by the Committee.
- 12.2. 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.