

Terms of Reference of the Nomination Committee

29 October 2009

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

(approved at a meeting of the Board of Directors held on 29th October 2009)

Constitution

1. It is resolved that a committee of the Board be established to be known as the Nomination Committee.

Membership

2. The Nomination Committee shall be appointed by the Board in accordance with the Company's articles of association and comprise a minimum of three directors the majority of whom shall be independent non-executive directors.
3. The Chairman of the Nomination Committee shall be either the Chairman of the Board or an independent non-executive director, but the Chairman of the Board should not chair the Nomination Committee when it is dealing with the appointment of a successor to the Chairmanship. The Chairman of the Nomination Committee shall be appointed by the Board. In the absence of the Chairman of the Nomination Committee (and/or an appointed alternate member), the members present at any meeting of the Committee shall elect one of their number to chair the meeting.
4. The Chairman and members and the number of meetings attended shall be listed each year in the annual report.
5. The Company Secretary shall be the Secretary of the Nomination Committee.
6. Each member of the Nomination Committee shall disclose in writing to the Nomination Committee and the Company Secretary as soon as the member becomes aware of the interest or the conflict:
 - 6.1. any personal interest including financial interest (other than as a shareholder) in any matter to be decided by the Nomination Committee; or
 - 6.2. any potential conflict of interest.

Any such member shall abstain from voting on resolutions of the Nomination Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so, requested by the Board) shall resign from the Nomination Committee.

Meetings

7. Meetings shall be held as required with a minimum of one meeting per financial year of the Company and at such other times as any member of the Committee shall require.

8. No one other than the Chairman and members of the Nomination Committee is entitled to be present at a meeting of the Nomination Committee. The Chairman and members shall, however, have the discretion to decide who else shall be invited to attend.
9. The quorum for meetings of the Nomination Committee shall be two members at least one of whom should be an independent non-executive director present throughout the meeting in person or by telephone or by video conference.
10. Notice of each meeting confirming the venue, date, and time together with an agenda of items to be discussed and supporting papers where appropriate shall be forwarded to each member of the Nomination Committee normally no fewer than five working days prior to the date of the meeting. All reasonable efforts shall be made to give notice of meetings of the Nomination Committee to all members of it and to arrange such meetings so that members are able to attend them.
11. A member of the Nomination Committee may participate in a Nomination Committee meeting by telephone or by video conference.
12. The Secretary of the Committee shall prepare minutes of any meeting of the Nomination Committee and, after approval and signature by the Chairman of the Nomination Committee, shall circulate them to all members of the Board.
13. The Chairman of the Nomination Committee shall be available to answer questions about the Committee's activities at the Annual General Meeting of the Company. All members of the Nomination Committee shall also attend the Annual General Meeting.

Authority, duties, and responsibilities

14. The Nomination Committee shall:
 - 14.1. be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies when they arise;
 - 14.2. 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;
 - 14.3. consider candidates from appropriate backgrounds using open advertising and search consultants where necessary to identify candidates;
 - 14.4. provide the Company's top 10 shareholders with the opportunity to meet newly appointed non-executive directors;
 - 14.5. be responsible for making plans for succession for appointment to the Board so as to maintain an appropriate balance of skills and experience within the Company and on the Board;

- 14.6. regularly review the structure, size, and composition of the Board (including skills, knowledge and experience) and make recommendations to the Board with regard to any changes;
 - 14.7. keep the leadership needs of the Company under review (both executive and non-executive) with a view to ensuring the continued ability of the Company to compete effectively in the market;
 - 14.8. prepare a job specification for the appointment of a Chairman, including an assessment of the time commitment expected, recognising the need for availability in the event of crises;
 - 14.9. arrange for non-executive directors to receive a formal letter of appointment to the Board, on their appointment, setting out the expected time commitment, committee service expected of them and their involvement outside Board meetings;
 - 14.10. prepare a statement for inclusion in the annual report which complies with the requirements of the Combined Code;
 - 14.11. make available these Terms of Reference, explaining the role and the authority delegated to it by the Board.
15. The Nomination Committee shall make recommendations to the Board with regard to:
- 15.1. plans for succession for executive and non-executive directors;
 - 15.2. the re-appointment of any non-executive director at the conclusion of his term of office;
 - 15.3. whether a director who is due to retire under the Company's articles of association should be put forward for re-election;
 - 15.4. the continuation in office of any director at any time; and
 - 15.5. 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).
16. In nominating any directors, the Nomination Committee must also have regard to paragraph 3.12 of the Listing Rules of the UK Listing Authority.
17. In discharging its functions, the Nomination Committee shall have regard to the duty of Committee members, as directors of the Company, to promote the success of the Company for the benefit of its members as a whole in accordance with Section 172 of the Companies Act 2006 and having regard, as appropriate, to the matters specifically set out in paragraphs (a) to (f) of that section.

18. The Committee shall have the power to employ the services of such advisers as it deems necessary to fulfil its responsibilities including employing search consultants at the Company's expense.