

Nominations Committee - Terms of Reference

Sept 2018



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1 Definitions

- 1.1 References to the "Committee" shall mean the Nominations Committee.
- 1.2 References to the "Board" shall mean the Board of Directors.

2 Membership

- 2.1 Members of the Committee shall be appointed by the Board, in consultation with the Chairman of the Nominations Committee. The Committee shall be made up of at least 2 members, at least one of whom is a non-executive director and, to the extent possible, is an independent non-executive director.
- 2.2 All 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.
- 2.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for further three-year periods, provided the director remains independent.
- 2.4 The Board shall appoint the Committee Chairman who shall be 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 themselves to chair the meeting.

3 Secretary

- 3.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

4 Quorum

- 4.1 The quorum necessary for the transaction of business shall be 2. 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.

5 Meetings

- 5.1 The Committee shall meet at least once a year and at such times as the Chairman of the Committee shall require¹

6 Notice of Meetings

- 6.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members.

¹ The frequency and timing of meetings will differ according to the needs of the company. Meetings should be organised so that attendance is maximised (for example by timetabling them to coincide with Board meetings).

6.2 Unless otherwise agree, 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, any other person required to attend and all other non-executive directors, no later than 5 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

7 Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8 Duties

8.1 The Committee shall:

- (a) periodically consider the composition of the Board in the light of the Group's operational performance, individual Board members performance and changes to regulations or best practice;
- (b) where appropriate, make recommendations to the Board about changes to the Board composition including:
 - To recommend and undertake the recruitment of new Board members against a defined role and attributes sought;
 - To recommend and undertake the removal of an existing Board member

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.

10 Other

- 10.1 The Committee shall, at least twice 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 by the Board to seek any information it requires from any employee of the company in order to perform its duties.

- 11.2 In connection with its duties the Committee is authorised by the Board to obtain, at the company's expense, any outside legal or other professional advice.

12 Minutes of Meetings

- 12.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 12.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

13 Annual General Meeting

- 13.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

14 Duties

- 14.1 The Committee shall:
- (a) periodically consider the constitution of the Board;
 - (b) where appropriate, make recommendations to the Board over changes to the Board constitution or roles of current Board members;
 - (c) where new Board members are proposed, define that new role and attributes of candidates sought, and recommend the method of recruitment and undertake that recruitment process;
 - (d) where existing Board members are to be removed or replaced, recommend and undertake the removal process;
 - (e) Exchange in respect of companies listed on the Alternative Investment Market, as appropriate, and associated guidance;
 - (f) review and note annually the remuneration trends across the company or group;
 - (g) oversee any major changes in employee benefits structures throughout the company or group;
 - (h) agree the policy for authorising claims for expenses from the Chief Executive and Chairman;²

² It is suggested that the more common arrangement is for the Chairman of the Board to authorise the Chief Executive's expenses and for the Chairman of the Remuneration Committee to authorise the Chairman's claims. An alternative would be for the Committee to authorise the expenses of both.

- (i) to the extent appropriate for the Company, ensure that all provisions regarding disclosure of remuneration including pensions, as set out in the Directors' Remuneration Report Regulations 2002 and the Combined Code are fulfilled; and
- (j) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee: and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.