

NOMINATION COMMITTEE

Terms of Reference

7 September 2018

1. Membership

Members of the Committee shall be appointed by the Board. In the event that one of the members is unable to attend a meeting, the Chairman has the authority to co-opt one of the other independent Directors from the Board.

The Chairman of the Committee shall be appointed by the Board. If the Chairman of the Committee is not present, the member of the Committee with the longest service as a Director who is present shall be Chairman of 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. Secretary

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

3. Meetings

The Committee will meet at least once a year and additional meetings shall be called by the Secretary at the request of the Chairman of the Committee.

4. Quorum

The quorum for transaction of business shall be any two members including the Chairman of the Committee, or the Chairman's nominated delegate.

5. Reporting

The minutes of each meeting of the Committee shall be circulated to all members of the Committee and, once agreed, to all other members of the Board, unless a conflict of interest exists.

The Board shall consider at its next Board Meeting any recommendations made by the Committee, which the Committee considers requires the Board's immediate attention.

6. General powers

The Committee is empowered to employ the services of such advisers as it deems necessary to fulfil its responsibilities.

7. Responsibilities

(a) Appointment of new Directors

The Committee shall adopt the undermentioned "formal rigorous and transparent procedure" for the appointment of new directors. The procedure is in four stages and all appointments are to be made on merit and against objective criteria.

Stage 1: to determine the optimum size, balance and profile of the Board

- (i) Determination of the optimum size and balance of the Board.

- (ii) Determination of the desired age, background and experience profile of the Board (eg. City, banking, other financial, fund management, venture capital, industrial, high tech, foreign national, overseas experience) and succession and contingency planning issues.
- (iii) Assessment of the composition of the current Board against the optimum profile and identification of perceived areas of weakness or gaps in experience taking into account the most recent assessment of the performance of the Board as a whole, Committees of the Board and of individual Directors.
- (iv) Determination of the timetable over which the optimum profile should be or needs (given retirements by rotation or otherwise) to be achieved.
- (v) Determination of the number and profile of Directors to be appointed at each stage.

Stage 2: to be responsible for identifying and nominating potential candidates

All Directors are to be invited to suggest names, within a given time-scale, for inclusion on a list of potential candidates. Such suggestions should be accompanied by a brief CV of the candidate concerned and a commentary of what the particular candidate will bring to the Board. This list should be drawn up on a confidential basis without the knowledge or expectation of appointment on the part of the candidate concerned. Other sources of potential candidates are to be canvassed, including the Company's financial advisers, brokers and head-hunters.

The Committee would then draw up a short list of an appropriate number of candidates against the desired Board profile and plan.

Stage 3: to appraise and select potential candidates

The Committee to 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.

The Committee to identify an appraisal and selection process which could include formal and informal interviews/discussions with members of the Board as necessary/appropriate.

At this stage it would be important to:

- (i) identify any potential conflicts of interest for individual candidates;
- (ii) identify any other significant commitments with a broad indication of the time involved;
- (iii) assess the independence of potential candidates for Combined Code purposes;
- (iv) identify any potential security or reputational issues; and
- (v) conduct referencing and any other due diligence procedures.

Stage 4: to appoint selected candidate(s)

Following the selection and appraisal process, the Committee to:

- (i) decide upon its preferred candidate; and
- (ii) the terms and conditions of their appointment.

In particular, letters of appointment are to set out the expected time commitment and to include an undertaking that the appointee will have sufficient time to meet what is expected of them.

The preferred candidate(s) would be invited by the Chairman to join the Board on a specified date. At this stage an announcement to the London Stock Exchange would need to be agreed and made.

(b) Other duties

- (i) Make recommendations for changes to the chairmanship and membership of the Company's Committees.
- (ii) Make recommendations with regard to any variation in the terms of Directors' appointments and in the standard period of appointment for which a Director is appointed.
- (iii) Recommend Directors to the Board, who are retiring by rotation/whose term of appointment is due to expire, to be put forward for re-election.
- (iv) Assess and recommend which Directors are independent or not independent for approval by the Board and for disclosure in the Annual Report and Accounts.
- (v) Establish an induction programme and process for identifying professional development and training needs.
- (vi) Make recommendations to the Board regarding the level of Directors' fees.
- (vii) Evaluate the performance of the Board and its Committees.