

Terms of reference of the Nominations Committee

Constitution

1. The Board hereby resolves to establish a committee of the board to be known as the Nominations Committee (“the Committee”).
2. On 2 March 2007, the board amended the terms of reference of the Committee as set out in this document.

Membership

3. The Committee shall comprise a majority of independent non-executive directors and will be chaired by the Chairman of the board. The chief executive will be a member of the Committee. A quorum shall be two members.

Attendance at meetings

4. Other members of the board shall attend if invited by the Committee. Such invitations will be with reasonable notice.
5. The company secretary shall be secretary of the Committee.

Frequency of meetings

6. The Committee shall meet with such frequency and at such times as it may determine. Meetings shall be held at least annually.
7. The Committee members shall attend the AGM at which the Chairman of the Committee shall answer shareholders’ questions on nominations.

Authority

8. This Committee shall be responsible for the recruitment of both non-executive directors and executive directors. In addition, the Committee shall assist in the development of the executive and non-executive succession plans.

Responsibilities

9. The responsibilities of the Committee shall be:
 - a. to identify and nominate for the approval of the board, candidates to fill board vacancies as and when they arise
 - b. before making an appointment, shall 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
 - c. to review annually the time required from a non-executive director. A performance evaluation shall be used to assess whether each non-executive director is spending enough time to fulfil his or her duties

- d. to consider board candidates from a wide range of backgrounds
- e. to give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the group and what skills and expertise are needed on the board in the future
- f. to regularly 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
- g. to 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
- h. to make a statement in the annual report about its activities; the process used for appointments and explain if external advice or open advertising has not been used; the membership of the committee, number of committee meetings and attendance of members over the course of the year
- i. to 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
- j. to make these terms of reference publicly available

Recommendations

10. The Committee shall make recommendations to the board:

- a. as regards plans for succession for both executive and non-executive directors
- b. as regards the re-appointment of any non-executive director at the conclusion of their specified term of office
- c. concerning the re-election by shareholders of any director under the retirement by rotation provisions in the company's articles of association
- d. concerning any matters relating to the continuation in office of any director at any time
- e. concerning 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

Approved by the board



R W H Stomberg, Chairman

2 March 2007