

TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE

The Board hereby resolves to establish a Committee of the Board to be known as the Nomination Committee (the "Committee").

1. Membership

- 1.1 Members of the Committee shall be appointed by the Board and shall normally be made up of at least three members. The majority of members shall be independent Non-Executive Directors.
- 1.2 Appointments of the Committee shall be for a period of up to three years, which may be extended for further periods of three years, provided that the majority of the Committee members remain independent in the view of the Board.
- 1.3 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 themselves to chair the meeting provided he or she would qualify under these terms of reference to be appointed to that position. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession of the chairmanship.
- 1.4 In dealing upon the chairmanship and membership of the Committee, the value of ensuring that membership of the Committee is refreshed and that undue reliance is not placed on particular individuals shall be taken into account.

2. Secretary

- 2.1 The Group Company Secretary or his or her nominee shall act as the Secretary of the Committee.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members, both of whom must be independent Non-Executive Directors. 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. Meetings

- 4.1 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.
- 4.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive and

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external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.
- 5.2 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, any other person required or invited to attend and all other Non-Executive Directors, no later than five 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.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, to all other members, unless it would be inappropriate to do so.

7. Annual General Meetings

- 7.1 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

The Committee shall carry out the duties set out below for the parent Company, major subsidiary undertakings and the Group as a whole, as appropriate.

- 8.1 The Committee shall:
 - 8.1.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
 - 8.1.2 give full consideration to succession planning for Directors and other senior Executives 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;

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- 8.1.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 8.1.4 before any appointment is made by the Board, evaluate the balance of skills, knowledge, and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- 8.1.5 in identifying suitable candidates, consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position. It shall consider candidates from a wide range of backgrounds, internally or externally, and may use open advertising or the services of external advisors to facilitate the search;
- 8.1.6 with regard to the appointment of a Chairman of the Board, prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises. A candidate's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairman's commitments should be reported to the Board as they arise;
- 8.1.7 prior to the appointment of a Director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and report any future business interests that could result in a conflict of interest. The Committee shall also make recommendations to the Board as to the authorisation which the Board may or may not choose to give pursuant to section 175 of the Companies Act 2006;
- 8.1.8 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 implement strategy;
- 8.1.9 keep up to date and informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 8.1.10 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;
- 8.1.11 ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly the term of office and that the appointment is subject to performance review by the Board and election/re-election by shareholders. The letter will also detail what is expected of them in terms of time commitment, Committee services and involvement outside Board meetings; and

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- 8.1.12 review the results of the Board performance evaluation process which relate to the composition of the Board.
- 8.2 The Committee shall also make recommendations to the Board concerning:
- 8.2.1 the formulation of plans for succession for both Executive and Non-Executive Directors and in particular for the key roles of Chairman and Chief Executive (but see 8.2.7 below);
 - 8.2.2 suitable candidates for the role of Senior Independent Director;
 - 8.2.3 suitable candidates for chairmanship of the Audit and Remuneration Committees;
 - 8.2.4 membership of the Audit and Remuneration Committees, in consultation with the Chairman of those committees;
 - 8.2.5 the re-appointment of any Non-Executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
 - 8.2.6 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 the need for progressive refreshing of the Board (particularly in relation to Directors being elected for a term beyond six years);
 - 8.2.7 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; and
 - 8.2.8 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 full Board.
- 8.3 The Committee shall:
- 8.3.1 ensure that a full-time Executive Director does not take on more than one non-Executive Directorship in a FTSE company nor the permanent chairmanship of such a company; and
 - 8.3.2 monitor developments in relation to the number of external Board appointments held by the Chairman and non-Executive Directors, so as to avoid "overboarding."

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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.
- 9.3 The Committee shall make a statement in the Annual Report about its activities, the process used to make appointments and where appropriate, explain if external advice or open advertising has not been used during the year.
- 9.4 The Committee shall produce the statement required to be included in the annual report of the Company identifying the membership of the Committee and the frequency of, and attendance by members at, Committee meetings over the course of the year.
- 9.5 The Committee shall make available for inspection the terms and conditions of appointment of non-Executive Directors.

10. Other

- 10.1 The Committee shall:
 - a. Have access to sufficient resources in order to carry out its duties including access to the Company secretariat for assistance as required; and
 - b. Be provided with appropriate and timely training, both in the form of an induction programme for new members and ongoing training as required for all members.
- 10.2 In carrying out its duties, the Committee shall give due consideration to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code and the UK Listing Authority's Listing Rules; Prospectus Rules; Disclosure Guidance and Transparency Rules Sourcebook and associated guidance and any other applicable Rules, as appropriate.
- 10.3 The Committee shall arrange for annual reviews of its own performance and periodic reviews of its 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.

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11. Authority

- 11.1 The Committee is authorised 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 to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

12. Publication of the terms of reference

- 12.1 These terms of reference shall be made available by publication on the Company's website with an explanation of the Committee's role and the authority delegated to it by the Board.

By Order of the Board

10 May 2016