



Terms of Reference and Responsibilities of the Board in respect of the Nomination Committee function

1. Duties

- 1.1 The Board shall constitute itself as a Nomination Committee at least annually and shall:
- 1.1.1 regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make any changes as necessary;
 - 1.1.2 formulate plans for succession of Directors and in particular for the key roles of Chairman of the Board and Chairman of the Audit Committee;
 - 1.1.3 consider whether the role of Senior Independent Director is necessary and determine suitable candidates;
 - 1.1.4 determine membership of the Audit Committee, in consultation with the Chairman of the Audit Committee;
 - 1.1.5 be responsible for identifying and nominating candidates to fill Board vacancies as and when they arise;
 - 1.1.6 before an appointment is made, evaluate the balance of skills, knowledge and experience of the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Board shall:
 - 1.1.6.1 use open advertising or the services of external advisers to facilitate the search if considered necessary or appropriate;
 - 1.1.6.2 consider candidates from a wide range of backgrounds; and
 - 1.1.6.3 consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
 - 1.1.7 keep under review the leadership needs of the Company, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
 - 1.1.8 review annually the time required from Directors. Performance evaluation should be used to assess whether the Directors are spending enough time to fulfil their duties; and
 - 1.1.9 ensure that on appointment to the Board, 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.
 - 1.1.10 consider the re-appointment of any 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;
 - 1.1.11 consider recommending for re-election by shareholders any Director under the 'retirement by rotation' provision 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;
 - 1.1.12 consider recommending for re-election by shareholders any Director who, having served for more than 9 years, is subject to annual re-election in accordance with the Combined Code, 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;
 - 1.1.13 consider any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of a Director subject to the provisions of the law and their service contract, if any; and

2. Responsibilities

- 2.1 The Board shall make a statement in the Annual Report about its activities as the Nomination Committee and the process used to make appointments.
- 2.2 The Chairman of the Board should attend the AGM and be prepared to respond to any questions which may be raised by shareholders on matters within the Nomination Committee function.

3. Frequency of Meetings

- 3.1 The Board shall constitute itself as the Nomination Committee once a year, in August, in order to consider whether or not Directors retiring by rotation or reaching a pre-determined age limit should be put forward for re-appointment at the Annual General Meeting and to review the statement in the Annual Report concerning its activities in respect of the Nomination Committee function, and at such other times as the Directors may consider necessary.

4. Other

- 4.1 The Board shall, at least once a year, review its performance, duties and responsibilities to ensure it is operating at maximum effectiveness in respect of its function as the Nomination Committee and make any changes it considers necessary.

September 2007