**1. CONSTITUTION AND PURPOSE**

1.1 The Nominations Committee (the “Committee”) is established as a committee of the board of directors of the Company (the "Board").

1.2 The role of the Committee is to make recommendations to the Board on suitable candidates for appointment to the Board, ensuring that the Board has an appropriate balance of skills, experience, independence and knowledge of the Company and taking into account its diversity, including gender. In addition, it is also responsible for reviewing the succession plans for the Executive Directors.

**2. MEMBERSHIP AND APPOINTMENT**

2.1 The Committee shall comprise not less than three directors, including the Senior Independent Director. The majority of the Committee shall be independent, non executive directors of the Company, as determined by the Board (in accordance with the principles of the UK Corporate Governance Code (the "Governance Code").

2.2 The Chairman of the Board will also serve on the Committee.

2.3 The members of the Committee shall be appointed by the Board, in consultation with the chairman of the Committee (the "Committee Chairman").

2.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided that the majority of Committee members remain independent.

2.5 The Chairman of the Board shall be the Committee Chairman. When the Committee is dealing with the matter of succession to the chairmanship of the Board, the discussions will be led by the Senior Independent Director. In the absence of the Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.

2.6 Only members of the Committee shall have the right to attend Committee meetings. However, other individuals such as the Chief Executive, other directors and members of the Group Executive Committee may be invited by the Committee to attend for all or part of the meeting.

2.7 The Board shall regularly review the membership of the Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals.

2.8 The Company Secretary or his/her nominee shall be the Secretary to the Committee (the "Secretary").

**3. QUORUM**

3.1 A quorum of the Committee shall be two 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. FREQUENCY OF MEETINGS**

4.1 The Committee shall meet not less than twice a year at such times as the Committee deems appropriate and more frequently if required.

**5. PROCEEDINGS AT MEETINGS**

5.1 Only members of the Committee shall have the right to vote at Committee Meetings.

5.2 Committee meetings shall be called by the Secretary at the request of the Committee Chairman or any other member thereof.

5.3 Unless otherwise agreed, notice of each meeting, together with an agenda of items to be discussed and any supporting papers, shall be forwarded in advance and in a timely manner (as circumstances permit) to each member of the Committee and any other person required to attend before the meeting.

5.4 Non-executive directors who are not members of the Committee are entitled to receive supporting papers on request and may also attend meetings.

5.5 The Secretary shall record the proceedings and decisions of the meetings of the Committee, including the names of those present and in attendance.

5.6 Draft minutes once approved by the Committee members, shall be circulated to all members of the Board, unless it would be inappropriate to do so.

**6. AGM**

6.1 The Committee Chairman shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee’s activities.

**7. DUTIES**

The duties of the Committee shall be:

**Board composition**

7.1 to regularly review the structure, size and composition of the Board (including the balance of skills, experience, independence and knowledge of the Company on the Board) and its diversity, including gender, taking into account the Company's current requirements, the results of the Board performance evaluation process that relate to the composition of the Board, and the future development of the Company, and make recommendations to the Board with regard to any adjustments that are deemed necessary;

7.2 to keep under review the leadership needs of the Company and the Group, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

**Board appointments**

7.3 to identify, nominate and recommend for the approval of the Board, candidates to fill Board vacancies as and when they arise; Page 4 of 6 31 January 2014

7.4 to make recommendations to the Board regarding the independence criteria set out in the Governance Code;

7.5 before beginning to search for candidates for a particular appointment, to prepare a written description of the role and capabilities required, and the time commitment expected, for that appointment having evaluated the balance of skills, experience, independence and knowledge already on the Board;

7.6 to consider candidates from a wide range of backgrounds and consider candidates and make recommendations for appointments on merit and against objective criteria and, with due regard for the benefits of diversity on the Board, including gender;

7.7 to seek advice from external advisers and/or use open advertising, if appropriate, in relation to seeking and selecting candidates for any appointments, having regard to the requirement to identify any external advisers appointed (including any connection to the Company) in the annual report or provide an explanation if neither external advisers nor open advertising have been used in the appointment of a chairman or non-executive director;

7.8 the Committee should prepare a job specification for the appointment of a chairman, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes should be reported to the Board as they arise.

7.9 to review annually the time needed to fulfil the role of chairman, senior independent director and each non-executive director (taking into account committee memberships) and, with reference to the annual performance evaluation, to review whether all members of the Board have devoted sufficient time to their duties;

7.10 to review a candidate's other commitments and ensure that, on appointment, a candidate has sufficient time to undertake the role

7.11 prior to the appointment of any director, to obtain from the proposed appointee details regarding any other business interests which may result in a conflict of interest and to ensure that consideration is given to whether these need to be approved by the Board prior to appointment;

7.12 to ensure that on appointment, all non-executive directors receive formal written terms of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;

7.13 to make recommendations to the Board regarding the appointment of any director to executive or other office of the Company;

7.14 to make recommendations to the Board regarding suitable candidates for the role of senior independent director;

7.15 as regards the re-appointment of any non-executive director, to review independence and performance of the non-executive director, taking into account tenure and the results of the performance evaluation conducted by the Board, to assist the Board in making the disclosures required under the Governance Code;

7.16 to make recommendations to the Board on the proposal for the re-election by shareholders of any director under the retirement and re-election provisions in the Company's Articles of Association and the UK Corporate Governance Code (the "Governance Code") having due regard to their performance (and the results of any formal performance evaluation) 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;

**Succession planning**

7.17 to satisfy itself, with regard to succession planning, that processes and plans are in place for orderly succession for appointments to the Board and to senior management;

7.18 to satisfy itself that the plans in place for orderly succession will maintain an appropriate balance of skills, experience and diversity on the Board and its Committees (including Chairs) and ensure progressive refreshing of the Board and its Committees (including Chairs) and to recommend processes and plans for successions to the extent necessary;

**Other matters**

7.19 to make recommendations to the Board regarding the chairmen of the Audit Committee and Remuneration Committee and any other Board committees as appropriate;

7.20 to make recommendations to the Board regarding the membership of the Audit Committee and Remuneration Committee and any other Board committees as appropriate in consultation with the chairmen of those committees;

7.21 to liaise with the Remuneration Committee in relation to the remuneration of newly-appointed executive directors and senior management;

7.22 to make recommendations to the Board regarding (i) the procedures in place for the authorisation of conflict matters falling within section 175 of the Companies Act 2006, (ii) the authorisation of any conflict matter arising for any director of the Company, and (iii) the terms and conditions which should attach to such authorisation;

7.23 to investigate and make recommendations to the Board concerning any matters relating to the continuation in office as a director of any director at any time;

7.24 to ensure that items that should be published in the Company's Annual Report relating to the activities of the Nomination Committee, the process it has used in relation to appointments (including a description of the Board's policy on diversity (including gender) and progress against any measurable objectives set for implementing such a policy) and an explanation if an external search or open advertising has not been used, are approved by the Nomination Committee and are included in that report;

7.25 to make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;

7.26 to keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;

7.27 to have regard, in the performance of the duties set out in this clause, to any applicable laws and regulations including the Governance Code, and any published guidelines or recommendations on corporate performance on environmental, social and governance issues which the Committee considers relevant or appropriate;

7.28 at least once a year to review its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval; and

7.29 to ensure that these terms of reference are made available on the Company's website in accordance with the Governance Code.

**8. AUTHORITY**

8.1 The Committee is authorised by the Board, at the expense of the Company, to investigate all matters that fall within these terms of reference.

8.2 In discharging its responsibilities, the Committee shall be entitled to receive such information as it requires from any employee. All employees shall be directed to co-operate with any request made by the Committee.

8.3 The Committee is authorised by the Board to obtain external legal or other professional advice at the expense of the Company and to secure the attendance of third parties with relevant experience and expertise at any meeting of the Committee if it considers it necessary.

8.4 These terms of reference may be amended from time to time by the Board.