

NOMINATIONS COMMITTEE

TERMS OF REFERENCE

**(Approved by the Board on 12th December 2003
to take effect from 1st January 2004.
Last updated on 7th December 2011.)**

Role

The Committee reviews the structure, size and composition of the Board, the appointment of members to Board Committees and the appointment of Corporate Officers and also makes recommendations to the Board as appropriate. The Committee reviews management's Succession Plan to ensure its adequacy. The Committee is also responsible for considering and authorising conflicts of interest.

Membership

Chairman	Sir Christopher Gent
Members	Mr Lawrence Culp Sir Crispin Davis Sir Deryck Maughan Sir Robert Wilson
In attendance	Chief Executive Officer Head of Human Resources
Secretary	Company Secretary

Constitution

1. The Board has established a Committee of the Board known as the Nominations Committee (the "Committee").

Membership

2. The Committee must comprise a minimum of three Directors a majority of whom should be independent Non-Executive Directors as determined by the Board (in accordance with the principles of the UK Corporate Governance Code). The members shall be appointed by the Board, in consultation with the Committee Chairman.
3. The Committee Chairman shall be appointed by the Board and must be either the Chairman of the Board or an independent Non-Executive Director.
4. The Committee Chairman shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
5. The Committee Chairman and members of the Committee shall be identified in the Committee's Report to shareholders in the Annual Report.

Quorum

6. The quorum shall be two members, both of whom must be independent Non-Executive Directors.
7. In the absence of the Committee Chairman or an appointed deputy, the remaining members present shall elect one of the members to chair the meeting who must be an independent Non-Executive Director.

Attendance at Meetings

8. The Chief Executive Officer, the Head of Human Resources and, where relevant, appropriate external advisers, may attend meetings of the Committee by invitation.

Committee Secretary

9. The Company Secretary shall be the Secretary to the Committee and shall be responsible for minuting the proceedings of all meetings of the Committee.

Frequency of Meetings

10. The Committee shall meet at least twice a year to consider Succession Planning, with other meetings held as required.

Annual General Meeting

11. The Committee Chairman shall attend the Company's Annual General Meeting and be prepared to respond to shareholder questions on the Committee's activities.

Authority

12. The Committee is authorised to undertake such work as is necessary to make recommendations for approval by the Board and is authorised to seek any information it requires from any employee or the Company in order to perform its duties.
13. 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.

Duties

Nominations & Dismissals

- 14(a). The Committee shall review the structure, size and composition (including the skills, knowledge, independence, experience and diversity) of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- 14(b). The Committee shall evaluate the balance of skills, knowledge and experience on the Board before an appointment is made and based on such evaluation shall prepare a description of the role, capabilities and time commitment required for a particular appointment.

- 14(c). In identifying suitable candidates for any appointment, the Committee shall use open advertising and/or external advisers to facilitate the search, will consider candidates from a wide range of backgrounds and must consider candidates on merit and against objective criteria, and with due regard to the benefits of diversity on the Board, including gender, and taking particular care to ensure that candidates have adequate time available to devote to the position.
- 14(d). The Committee shall also consider in respect of the Executive Directors and Corporate Officers:
- (i) proposals for their appointment, re-appointment or promotion (including the term of such appointment or re-appointment); and
 - (ii) any proposal for their dismissal or non-reappointment or any substantial change in their duties or responsibilities or the term of their appointment.
- 14(e). The Committee shall consider proposals for the appointment, re-appointment (including the term of such appointment) or retirement of the Chairman of the Board, Deputy Chairman, Senior Independent Non-Executive Director and other Non-Executive Directors.

Succession Planning

15. The Committee shall review the management's Succession Plan to ensure its adequacy, taking into account the challenges and opportunities facing the Company, and accordingly what skills will be needed on the Board in the future.

Board Committee membership

16. The Committee shall recommend to the Board, after consultation with the respective Committee Chairmen, appointments to Board Committees as necessary.

Approval and Review of Situational Conflicts of Interest

17. The Committee shall consider and, if appropriate, authorise situational conflicts of interest of directors or potential directors. The Committee shall review the authorisations that have been given from time to time, but at least annually. In addition, the Committee shall review any authorisation that has been given in light of any change in circumstances of which it becomes aware that may affect such authorisations.

Corporate Governance / Regulatory Developments

18. The Committee shall monitor the progress of any relevant corporate governance or regulatory developments that may impact the Committee and recommend any action or changes it considers necessary to the Board for approval.

Performance Appraisal & Review

19. The Committee shall review at least annually its own performance, 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.

Reporting Procedure

20. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

Publication of Terms of Reference

21. These Terms of Reference shall be made available on the Company's website.

Notes

Updated to reflect:

- the appointment of Dr Ronaldo Schmitz and the retirement of Mr McArthur with effect from 17th May 2004;
- the retirement of Sir Christopher Hogg with effect from 31st December 2004;
- the appointment of Sir Christopher Gent as Chairman of the Committee with effect from 1st January 2005;
- amendments to the Combined Code 2006;
- permit the Committee to authorise situational conflicts of interest with effect from 10th July 2008;
- the appointment of Mr Lawrence Culp and Sir Robert Wilson with effect from 28th March 2008; and
- the appointment of Sir Crispin Davis and Sir Deryck Maughan with effect from 9th July 2009; and
- the adoption of the UK Corporate Governance Code which replaced the Combined Code with effect from 1st July 2010.