

NOMINATIONS COMMITTEE TERMS OF REFERENCE

A. Membership

1. The Committee shall comprise at least three members, the majority of whom should be "independent" in accordance with the terms of the Principles of Good Governance and Code of Best Practice contained in the Combined Code (the "**Combined Code**") published by the Financial Reporting Council and each of whom shall be appointed by the Board.
2. The Board shall appoint the Chairman of the Committee who should ordinarily be the Chairman of the Company, the term of appointment normally being for 3 years with possibility of renewal.
3. The Company Secretary shall be the secretary of the Committee and shall keep minutes of its meetings.

B. Meetings

1. The Committee shall meet at least twice a year and shall in particular meet to consider the reappointment of directors retiring by rotation at the next annual general meeting.
2. Meetings of the Committee may be called by any member of the Committee or by the secretary.
3. Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall normally be forwarded to each member of the Committee at least fifteen working days prior to the date of the meeting, although such notice period may be waived or shortened with the consent in writing of all the members of the Committee for the time being.
4. The quorum of the meeting shall be two, at least one of whom must be an independent non-executive director.
5. In the absence of the Committee Chairman, the remaining members present shall elect one of their number to chair that specific meeting.

C. Duties

The duties of the Committee shall be to make recommendations to the Board with regard to:

1. the Board's structure, size, composition and balance;
2. the appointment of any Director and their duties and the continuation (or not) in service of any Director;
3. the appointment and re-appointment of Non Executive Directors who as a general rule must be persons who are independent and have been recommended on merit;
4. the continuation (or not) in service of any Non Executive Director who has been in service for more than two terms (each of a period of 3 years) or more.

5. the continuation (or not) in service of any Director who has reached the age of 67. Such recommendations shall be made annually; and
6. whether Directors who are retiring by rotation should be put forward for re-election.
7. The Committee shall undertake an annual performance evaluation to ensure that all members of the Board have devoted sufficient time to their duties.
8. The Committee shall be responsible for identifying and nominating candidates for the approval of the Board to fill vacancies on the Board of Directors as well as making plans for succession, in particular, of the Chairman and the Chief Executive Officer of the Board.
9. Neither the Chairman of the Board nor the Chief Executive serving on the Nomination Committee may participate in the appointment of their respective successors.
10. In nominating non Executive Directors, the Nomination Committee shall have regard to the principles in section A.3 of the Combined Code.
11. The committee shall ensure that the balance of the Board is such that no individual or small group of individuals can dominate the board's decision taking.

D. Authority

The Committee shall have the power to employ, at the Company's expense, the services of such advisers as it deems necessary to fulfil its responsibilities including but not limited to the employing of search consultants.

E. Reporting

The committee shall prepare a report on its role and responsibilities and the actions it has taken to discharge those responsibilities for inclusion in the annual report and accounts. Such report shall specifically include:

1. a summary of the activities of the committee;
2. in the case that it is decided to nominate for appointment by the shareholders a candidate whose tenure or age are non-compliant with best practice the justification of such nomination;
3. a description of the process used in relation to Board appointments and specifically an explanation given if neither external search consultants or open advertising have been used in the appointment of the chairman or any non-executive director
4. the number of committee meetings and attendance by each member.

The secretary of the committee shall circulate the minutes of the committee to all members of the Board. At the next meeting of the Board following a meeting of the committee, the Chairman of the committee shall report to the Board upon the findings and recommendations of the committee.

The Chairman of the committee shall attend the company's annual general meeting and be available thereat to answer questions about the work of the committee.

The Committee shall conduct an annual review of its work and these terms of reference and shall make recommendations about this to the Board.

F. Date of adoption

These terms of reference were adopted by the Board on September 21st, 2006 and supersede all previous terms.

