

Nomination committee – terms of reference

These terms of reference for the nomination committee give to it responsibility for succession planning at board level while leaving to the remuneration committee the responsibility for ensuring that there is good succession planning and management development at senior executive levels. Alternative approaches would be to settle all these duties upon the nomination committee or to split them between the nominations committee and the senior executive team.

Terms of Reference

1. Constitution

At a meeting held on 5th February 2004 the board of directors of Carclo plc resolved to establish a standing committee of the board to be known as the nomination committee, in accordance with these terms of reference which were adopted.

2. Membership

- 2.1 Membership of the committee shall comprise a majority of the non- executive directors of the board with an emphasis on seniority, to be appointed to this committee by resolution of the board.
- 2.2 The chairman of the board shall be chairman of this committee.

3. Attendance at meetings

- 3.1 The chairman of the committee may co-opt other directors to join the committee temporarily for particular specified purposes.
- 3.2 The committee may require the group's chief executive (and other executives) to attend its meetings for certain agenda items.
- 3.3 Directors (and senior executives in attendance) may be required by the chairman to leave the meetings of this committee when open discussion might be inhibited by their presence.
- 3.4 At the discretion of the chairman of this committee, outside professional advisors may be in attendance for certain agenda items.
- 3.5 The company secretary shall be secretary to this committee.

4. Frequency of meetings

- 4.1 The committee shall meet at least [twice] a year and as frequently as is required.
- 4.2 The timing and agenda of meetings is the responsibility of the committee chairman, subject to the expressed wishes of committee members.

5. Authority

- 5.1 The committee is authorised to require the provision of such information and access to such personnel, as it requires to discharge its responsibilities.
- 5.2 The committee is authorised to take outside professional advice as appropriate.

6. Duties

The committee is responsible for:

- 6.1 Proposing to the board the responsibilities of non-executive directors including membership and chairmanship of board committees.
- 6.2 Ensuring that there is satisfactory, formal process for the selection of non-executive directors which it is the responsibility of this committee to follow;
- 6.3 Proposing to the board any new board appointments, whether of executive or non-executive directors;
- 6.4 Ensuring there is good succession planning at board level;
- 6.5 Reviewing the effectiveness of non-executive directors; and
- 6.6 Nominating suitable people for the most senior executive positions, including that of chief executive.

7. Reporting

- 7.1 The committee makes recommendations to the group board which either approves them or, stating its reasons for not doing so, asks the committee to reconsider them.