

## Succession and Nominations Committee – Terms of Reference

### 1. Membership

- The Committee shall be appointed by the Board and shall comprise all of the Non-Executive Directors.
- A majority of members of the Committee shall be independent Non-Executive Directors.
- The Committee chairman shall be the Chairman of the Board and shall have a casting vote on all matters in the event of an equality of votes. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. When dealing with the matter of succession to Board Chairmanship, the Senior Independent Director shall take the chair of the Committee.
- Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence.

### 2. Secretary

- The Company Secretary or his/her nominee shall act as the Secretary of the Committee.

### 3. Quorum

- The quorum necessary for the transaction of business shall be three Non-Executive Directors present in person or linked by telephone or video conference facilities. 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

- The Committee shall meet at such times as the chairman of the Committee shall require to fulfil its responsibilities and meet its objectives.

### 5. Notice of Meetings

- Meetings of the Committee shall be called by the Secretary of the Committee at the request of the chairman of the Committee.
- Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no fewer than three working days prior to the date of the meeting.
- The Chief Executive and Group Human Resources Director will be invited to attend relevant discussions at any meeting of the Committee. Other Executive Directors, employees and external advisors may also be called upon to attend any meeting of the Committee by prior arrangement with the chairman of the Committee. Only members of the Committee have the right to attend meetings of the Committee.

### 6. Minutes of Meetings

- The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- Minutes of Committee meetings shall be circulated to all members of the Committee and made available on request to other members of the Board unless, in the opinion of the Committee chairman, it would be inappropriate to do so.

## 7. Annual General Meeting

- The chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

## 8. Duties

The Committee shall:

- Regularly review the structure, size and composition of the Board together with the Board's balance of skills, knowledge and experience and diversity and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- Review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the markets in which it operates, primarily through attendance at Board meetings.
- Satisfy itself with regard to succession planning, that the processes and plans are in place with regard to both Board and senior appointments taking into account the challenges and opportunities facing the Group and the skills and expertise needed on the board in the future.
- Assess and articulate the time needed to fulfil the role of Chairman, Senior Independent Director and Non-Executive Director.
- Before any appointment is made by the board, evaluate the balance of skills, knowledge, experience and diversity on 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 committee shall:
  - use open advertising or the services of external advisers to facilitate the search;
  - consider candidates from a wide range of backgrounds; and
  - consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender.
- Ensure that a candidate has sufficient time to undertake the role and review his/her commitments, ensuring that if he/she is an executive of another company this will be his/her sole Non-Executive appointment in a FTSE-100 company; and in the event that a candidate for Chairman is being considered take note that he/she cannot be a Chairman of more than one FTSE-100 company or equivalent, unless, in exceptional circumstances, specifically approved by the Committee.
- Ensure that the Secretary on behalf of the Board has formally written to any appointees, detailing the role and time commitments and proposing an induction plan produced in conjunction with the Chairman.
- Review the results of the board performance evaluation process that relate to the composition of the Board.
- Arrange for periodic reviews of its own performance and review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend to the Board for approval any changes it considers necessary
- Report to the Board on its proceedings after each meeting in respect of all matters within its duties and responsibilities.

It shall also make recommendations to the Board:

- At least every three years whether the present Chairman should continue in post, having assessed performance and taking into account the needs of continuity versus freshness of approach.
- As regards the re-appointment of any Non-Executive Director at the conclusion of his/her specified term of office, especially when they have concluded their sixth year.

- Concerning the annual re-election by shareholders of Directors under the provisions 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 and the need for progressive refreshing of the Board.
- Concerning suitable candidates for the role of senior independent director.
- Concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law and their service contract.
- Concerning the appointment of any Director (other than to the positions of (i) Chairman, the recommendation for which would be considered at a meeting of all the Directors; and (ii) Chief Executive, the recommendation for which would be considered at a meeting of all the Non-Executive Directors).
- Detailing items that should be published in the Company's Annual Report relating to the activities of the Committee.
- With regard to the membership and chairmanship of the Audit and Remuneration Committees in consultation with the chairman of the respective Committee.

## **9. Authority**

- The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- The Committee shall have access to sufficient resources in order to carry out its duties.
- 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.
- The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new directors and on an ongoing basis for all members.

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