

## TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF NORTHGATE PLC

### 1. Membership

- 1.1. Members of the Committee shall be appointed by the Board and shall comprise at least three members, the majority of whom should be independent non-executive Directors.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other Directors, employees or external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3. 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 the Committee members remain independent.
- 1.4. The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive Director. 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. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
- 1.5. The Company Secretary shall act as the Secretary of the Committee.

### 2. Proceedings

- 2.1. The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.
- 2.2. The quorum necessary for the transaction of business shall be 2 both of whom must be 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.
- 2.3. Reasonable notice of each meeting together with an agenda of items to be discussed and any relevant supporting papers shall be sent to Committee members and to other attendees as appropriate.
- 2.4. The Secretary shall minute the proceedings and resolutions of all Committee meetings.
- 2.5. Minutes of Committee meetings shall be circulated to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.
- 2.6. The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

- 2.7. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 2.8. The Committee is authorized to seek any information it requires from any employee of the Group in order to perform its duties.
- 2.9. The Committee is authorized to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

### **3. Duties**

#### 3.1. The Committee shall:

- 3.1.1. periodically review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- 3.1.2. give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the Board in the future;
- 3.1.3. be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- 3.1.4. before appointment is made by the Board, evaluate the balance of skills, knowledge and experience 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 normally use open advertising or the services of external advisers to facilitate the search;
- 3.1.5. periodically review the time required from non-executive Directors in order to properly fulfil their duties; and
- 3.1.6. ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.

#### 3.2. The Committee shall also make recommendations to the Board concerning:

- 3.2.1. formulating plans for succession for both executive and non-executive Directors and in particular for the key roles of Chairman and Chief Executive (but see 3.2.5 below);
- 3.2.2. suitable candidates for the role of senior independent Director;
- 3.2.3. the re-election by shareholders of any Director who has reached the age of 70;
- 3.2.4. 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; and
- 3.2.5. the appointment of any Director to executive or other office other than to the positions of Chairman and Chief Executive, recommendations for which should be considered at a meeting of the full Board.

#### 3.3. The Chairman of the Committee (or if he is unable to be present, another member designated for the purpose) shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.