

**THUS GROUP PLC**  
**NOMINATION COMMITTEE TERMS OF REFERENCE**  
**Adopted by the Board on 1 March 2005**

**Constitution**

- 1 The Board of THUS Group plc (the “**Company**”) has resolved to establish a committee of the Board to be known as the Nomination Committee (the “**Committee**”) with the terms of reference set out below.
- 2 The Committee will regularly review the terms of reference and recommend to the Board changes at any time to reflect changing circumstances including relevant codes of best practice.

**Membership**

- 3 The Committee shall be appointed by the Board from time to time and the majority of its members shall be Non-Executive Directors of the Company who are considered by the Board to be independent as defined in the Combined Code. A quorum shall be three members of which a majority must be independent Non-Executive Directors.
- 4 The Chairman of the Committee shall be the Chairman of the Board or an independent non-executive director and shall be appointed by the Board. 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.
- 5 Appointments to the Committee shall be for a period of not less than three years, unless the Board determines otherwise. The appointments may be extended, provided that the majority of the Committee members remain independent and subject to the members’ retirement by rotation in accordance with the terms of the Company’s Articles of Association.
- 6 The Chairman and members of the Committee shall be identified in the Company’s Annual Report.

**Proceedings**

- 7 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the Company’s Articles of Association regulating the meetings and proceedings of Directors. Except under exceptional circumstances at least 48 hours notice shall be given of a meeting of the Committee. Such notice shall include the agenda and any supporting documents. The Secretary shall circulate copies of the minutes of meetings of the Committee to all members of the Committee, and if the Chairman of the Committee so decides, to all members of the Board.

**Attendance at meetings**

- 8 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the head of human resources, external advisers and search consultants may be invited to attend for all or part of any meeting, as and when appropriate.

- 9 The Committee shall appoint one of their number or the Company Secretary to be Secretary to the Committee.

#### **Frequency of meetings**

- 10 The Committee will meet as necessary to consider proposals for Board appointments. The Chairman of the Committee or any other member may convene a meeting of the Committee whenever he or she considers it necessary or desirable. Members are expected to attend at all meetings held each year.

#### **Duties**

- 11 The Committee shall:

- 11.1.1 be responsible for identifying and nominating, for approval by the Board, candidates to fill Board vacancies as and when they arise;
- 11.1.2 before making an appointment to the Board, evaluate the balance of skills, knowledge and experience on the Board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- 11.1.3 before appointing a Company Chairman, prepare a job specification, including an assessment of the time commitment expected;
- 11.1.4 review annually the time required from a Non-Executive Director. Performance evaluation should be used to assess whether the Non-Executive Director is spending enough time to fulfil their duties;
- 11.1.5 consider candidates from a wide range of backgrounds;
- 11.1.6 give full consideration to succession planning, assessing the Company's policies, procedures and practices and taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed by the Company and on the Board in the future;
- 11.1.7 regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes;
- 11.1.8 keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- 11.1.9 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 11.1.10 make available on request and on the Company's website, its terms of reference explaining clearly its role and the authority delegated to it by the Board;
- 11.1.11 make available for inspection, the terms and conditions of the appointment of the Non-Executive Directors;

- 11.1.12 ensure that on appointment to the Board, Non-Executives Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
  - 11.1.13 co-operate with and respond to any performance evaluation of the Committee by the Board;
  - 11.1.14 to provide information and to assist the Company Chairman, the Chief Executive or Company, as required, with any communication relating to the nomination and succession of Board members; and
  - 11.1.15 undertake such other duties as the Board may require.
- 12 The Committee should make recommendations to the Board concerning:
- 12.1 plans for succession for Board members;
  - 12.2 the re-appointment of any Non-Executive director at the conclusion of their specific term having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - 12.3 the re-election by shareholders of any Director under the retirement by rotation provisions of 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;
  - 12.4 the continuation (or not) in service of any director who has reached the age of 70
  - 12.5 suitable candidates for the role of senior independent director;
  - 12.6 membership of the Audit and Remuneration Committees, in consultation with the Chairmen of those committees;
  - 12.7 any matters relating to the continuation in office of any director at any time; and
  - 12.8 the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the Board.
- 13 In carrying out its duties, the Committee shall have due regard to the Combined Code and shall ensure that the Board meets all the statutory and regulatory obligations relating to directors' remuneration which are in force from time to time.
- 13.1 The Committee may consider nominees put forward by any member of the Board.

- 13.2 All recommendations of the Committee in respect of the appointment of Directors shall be referred to the Board and shall only take effect when approved by resolution of the Board.

### **Reporting Responsibilities**

- 14 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 15 Minutes of Committee meetings shall be circulated promptly 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.
- 16 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities unless a conflict of interest exists.
- 17 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where it considers action or improvement is needed.
- 18 The Committee shall produce a statement in the Annual Report on its activities which will include, but not be limited to, the process used for appointments and explain if external advice or open advertising has not been used for a chairman or non-executive director appointment; the membership of the Committee, the number of Committee meetings and attendance over the course of the year.

### **Authority**

- 19 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 20 The Committee and each of its members may employ the services of search consultants or obtain internal or external independent professional advice on any matters within its terms of reference at the Company's expense. The Committee shall follow the "Guidelines for Seeking Independent Professional Advice" adopted by the Board.

### **AGMs**

- 21 The Chairman of the Committee shall be available at each Annual General Meeting of the Company to answer questions (if any) on the Committee's practice.
- 22 The Chairman of the Committee should confirm at the Annual General Meeting that the majority of members of the Committee are considered to be independent by the Board.

### **Other**

- 23 The Committee shall, at least once a year, review its own performance to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.