

NOMINATIONS COMMITTEE TERMS OF REFERENCE

Hamworthy plc (the **Company**)

Terms of Reference for the Nominations Committee.

1 ESTABLISHMENT

1.1 The Committee is to be established by resolution of the board of directors of the Company (the **Board**) and is to be known as the Nominations Committee.

2 MEMBERSHIP

2.1 The members of the Nominations Committee shall be appointed by the Board from amongst the non-executive directors plus Chief Executive of the Company and shall consist of not less than two members. A quorum shall be two members.

2.2 The Chairman of the Nominations Committee shall be a non-executive director who shall be appointed by the Board.

3 SECRETARY/MINUTES

3.1 The Company Secretary shall be the Secretary of the Nominations Committee and the minutes of meetings of the Nominations Committee shall be made available to all members of the Board.

3.2 For the avoidance of doubt, if the Company Secretary is also an executive director of the Company, he shall not be entitled to vote or be counted in the quorum in respect of any resolution of the Nominations Committee.

4 ATTENDANCE AT AND FREQUENCY OF MEETINGS

4.1 Meetings shall be held as and when appropriate, but in any event shall be held not less than once per calendar year.

5 NOTICE OF MEETINGS

5.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any member thereof. The Chairman of the Company may request a meeting if he/she reasonably considers that one is necessary.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with the agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no fewer than 5 working days prior to the meeting.

5.3 If the Chief Executive is not appointed as a member of the committee he shall have the right to attend and speak at the meetings of the committee; others may be called upon or shall be able to speak by prior arrangement with the Chairman of the Committee.

6 AUTHORITY

- 6.1 The Nominations Committee is authorised by the Board to investigate any matter within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any reasonable requests made by the Nominations Committee.
- 6.2 The Nominations Committee is authorised by the Board to obtain, at the Company's expense, outside professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. It is envisaged that in obtaining outside advice, the Committee will act in conjunction with the Chairman of the Company.
- 6.3 The Nominations Committee will consult the Chairman and/or Chief Executive of the Company in connection with any proposals and those persons may be invited to attend relevant meetings (or parts thereof) of the Nominations Committee.

7 PURPOSE

- 7.1 The purpose of the Nominations Committee is to investigate and undertake any activity within these terms of reference. It is authorised to seek any information it properly requires in order to perform its duties from any employee of the Company or any subsidiary undertaking of the Company. All employees are directed to co-operate with any such request made by the Committee.

8 DUTIES

- 8.1 The Committee shall:
- 8.1.1 regularly 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;
 - 8.1.2 be responsible for identifying and nominating candidates to fill Board vacancies as and when they arise;
 - 8.1.3 before making an appointment, 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;
 - 8.1.4 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;
 - 8.1.5 review annually the time needed to fulfil the role of Chairman, non-executive director and senior independent director, and undertake an annual performance evaluation to ensure that all members of the Board are devoting sufficient time to fulfil their duties;
 - 8.1.6 ensure on appointment that a candidate has sufficient time to undertake the role and review his or her commitments;
 - 8.1.7 keep under review the Company's leadership needs, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;

- 8.1.8 make available its terms of reference explaining clearly its role and the authority delegated to it by the Board;
 - 8.1.9 prepare a job specification for the appointment of a chairman of the Board, including an assessment of the time commitment expected and recognising the need for his or her availability in the event of crisis;
 - 8.1.10 keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates; and
 - 8.1.11 ensure that on their appointment the Board has formally written to non-executive directors detailing the role and time commitments, committee service and involvement outside board meetings and proposing an induction plan produced in conjunction with the Chairman.
- 8.2 It shall also make recommendations to the Board:
- 8.2.1 as regards the re-appointment of any non-executive director at the conclusion of his or her specified term of office, especially when the person has concluded a second term, having given due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required;
 - 8.2.2 concerning suitable candidates for the role of senior independent director;
 - 8.2.3 concerning the continuation in service of any director who has reached the age of 70;
 - 8.2.4 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;
 - 8.2.5 concerning 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; and
 - 8.2.6 with regard to the membership and chairmanship of the Audit and Remuneration Committee in consultation with the Chairmen of those Committees.
- 8.3 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 at a meeting which is properly convened and constituted and otherwise made in accordance with the Company's Articles of Association.
- 8.4 The Committee may consider nominees put forward by any member of the Board.
- 8.5 Nominees to the position of Chairman of the Board and non-executive director should disclose their other significant commitments before appointment.
- 9 EXCLUSIONS**
- 9.1 The terms of reference of the Nominations Committee do not encompass decisions to employ or dismiss Executives.

10 REPORTING PROCEDURES

- 10.1 The Secretary of the Nominations Committee shall circulate the minutes of the meetings of the Nominations Committee to all members of the Board.