

LAMPRELL PLC (THE COMPANY)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS (THE COMMITTEE)

ADOPTED BY THE BOARD ON 24TH SEPTEMBER 2008

Constitution

1. The Committee has been established by resolution of the board of directors of the Company (the *Board*) and is to be known as the Nomination Committee. Its terms of reference replace the terms of reference of any pre-existing nomination committee.

Membership

2. The Committee shall comprise not less than three members appointed by the Board: the Chairman of the Board who shall normally attend meetings and up to three further members, the majority of whom shall be independent non-executive directors of the Company.

3. The Committee Chairman shall be appointed by the Board and shall be either the Chairman of the Board or an independent non-executive director. The Chairman of the Board shall not chair the Committee when it is dealing with the appointment of a successor to the chairmanship. The quorum for meetings of the Committee shall be two, both of whom shall be independent non-executive directors.

4. 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.

5. Appointments to the Committee shall be made by the Board.

Secretary

6. The Company Secretary or his or her nominees shall act as the secretary of the Committee.

Meetings

7. The Committee shall meet at least twice a year and at such other times as the Committee Chairman shall require.

8. The Committee shall have access to the services of the Company's secretariat function on all Committee matters, including assisting the Committee Chairman in planning the Committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of any necessary practical support.

Notice of Meetings

9. Meetings of the Committee shall be summoned by the secretary of the Committee at the request of the Committee Chairman.

10. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of the 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 later than two working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

Reporting Responsibilities

11. The secretary shall minute the proceedings and the resolutions of all Committee meetings, including the names of those present and in attendance. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflict of interest and minute them accordingly. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

12. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

13. The Committee shall bring to the attention of the Board and/or make appropriate recommendations to the Board concerning those matters that have been considered or reviewed by it at the meeting of the Board next following a meeting of the Committee.

14. The Committee Chairman shall attend the Annual General Meeting and shall be prepared to respond to any shareholder questions on the Committee's activities raised at that meeting.

Authority

15. The Committee is authorised by the Board to:

- (a) investigate and undertake any activity within its terms of reference; and
- (b) seek any information it properly requires from any employee of the Company or of any subsidiary company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee.

16. If the Committee considers it necessary so to do, it is authorised to obtain appropriate external advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those

persons to attend meetings of the Committee. The cost of obtaining any advice or services shall be paid by the Company within the limits authorised by the Board.

Duties

17. The duties of the Committee shall be:
- (a) to be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairman of the Board and the Chief Executive Officer;
 - (b) to review regularly the Board structure, size, composition and make recommendations to the Board of adjustments that are deemed necessary;
 - (c) to consider succession planning, taking into account the challenges and opportunities facing the Company and the skills and expertise therefore needed on the Board, reporting to the Board regularly;
 - (d) to keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the market place;
 - (e) to review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
 - (f) to ensure that on appointment to the Board, non-executive 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;
 - (g) to recommend to the Board whether to reappoint a director at the end of their term of office;
 - (h) to make recommendations to the Board 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 provision of the law and their service contract;
 - (i) to identify and recommend directors who are to be put forward for retirement by rotation;
 - (j) before appointment is made by the Board, to 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:
 - (i) use open advertising or the services of external advisers to facilitate the search;

- (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- (k) to delegate any of its powers to one or more of its members or the secretary of the Committee;
 - (l) to make a statement in the annual report about its activities, the process used to make appointments, if external advertising or advice has not been used, give reasons as to why not, the membership of the Committee and the number of Committee meetings and attendance over the course of the year;
 - (m) to consider any other matters as may be requested by the Board; and
 - (n) to make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

Procedures

18. So the Committee can perform its role, it will have the following procedures:

Non-executive directors

- (a) when it is decided that a new appointment is to be made, a short-list will be circulated to members of the Committee and the Chief Executive Officer (and other directors, if felt appropriate), for comment and the addition of any further potential non-executive directors. The Committee may also engage a reputable firm of search consultants to recommend candidates. These consultants would normally also be engaged to assist in filling a specific vacancy;
- (b) a revised short-list will then be considered by the Committee;
- (c) short-listed candidates selected by the Committee will be seen in the first instance by the Chairman of the Board and one other Committee member and the Chief Executive Officer (and other directors, if felt appropriate). If the Chairman of the Board wishes to take the selection process further the potential candidate(s) will be invited to meet the Committee;
- (d) the Nomination Committee will decide whether to recommend to the Board an appointment; and
- (e) the Board will decide whether to make the appointment;

Executive directors

- (f) the Chairman of the Board and the Chief Executive Officer will submit to the Committee a short-list of one or more candidates;

- (g) some or all of the Committee's members will meet the candidate(s) selected for interview;
- (h) the Committee's assessments will be reviewed with the Chairman of the Board and the Chief Executive Officer following which a candidate will be submitted to the Board for appointment; and
- (i) the Chairman of the Board and the Chief Executive Officer and/or the Committee may engage a search consultant to assist in the selection of external candidates for a specific appointment.