

TARSUS GROUP PLC.

TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE

1 Composition and Procedure

The Nomination Committee shall consist of a minimum of three members, comprising a Chairman and at least two other members. The Nomination Committee shall be appointed by the Board and a majority of the members shall be independent non-executive Directors. The members of the Nomination Committee for the time being shall be:

Neville Buch (Committee Chairman)
Paul Keenan
Robert Ware
Hugh Scrimgeour

- 1.1 The Nomination Committee may invite other Directors, Group employees and external advisers to attend meetings as and when deemed appropriate.
- 1.2 The Board shall appoint the Committee Chairman, who shall be either the Chairman of the Board or an independent non-executive Director. In the absence of the Nomination Committee Chairman or an appointed deputy, the remaining members present shall elect one other member present to chair the meeting.

The Company Secretary or his nominee shall act as the Secretary of the Nomination Committee.

The quorum for decisions of the Nomination Committee shall be three members, of whom at least one must be a non-executive Director. A duly convened meeting of the Nomination 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 Nomination Committee.

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

Meetings of the Nomination Committee may be held by telephone.

Meetings of the Nomination Committee shall be summoned the Secretary of the Committee at the request of the Committee Chairman.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and any supporting papers, shall be forwarded to each member of the Nomination Committee no fewer than three business days prior to the date of the meeting.

The Secretary shall minute the proceedings and resolutions of all meetings of the Nomination Committee.

- 1.3 Minutes of Nomination Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and to all other Board members, unless a conflict of interest exists.

2 Annual General Meeting

The Nomination Committee Chairman shall attend each annual general meeting of the Company prepared to respond to any shareholder questions on the Nomination Committee's activities.

3 **Duties**

The Nomination Committee shall:

- 3.1.1 regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and made recommendations to the Board with regard to any adjustments that the Nomination Committee deems necessary;
- 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 the skills and expertise needed on the Board in the future;
- 3.1.3 keep under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the Group's continued ability to compete effectively in the marketplace;
- 3.1.4 be responsible for identifying and nominating for the Board's approval, candidates to fill Board vacancies as and when they arise;
- 3.1.5 before making a nomination for appointment, evaluate the balance of skills, knowledge and experience of the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- 3.1.6 in identifying suitable candidates the Committee shall, if appropriate, seek advice from external advisers or use open advertising to facilitate the search. The Committee shall consider candidates from a wide range of backgrounds and look beyond a narrow pool of existing directors. Candidates shall be considered on merit and against objective criteria, taking care that appointees have sufficient time available to devote to the position;
- 3.1.7 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 3.1.8 review annually the time commitment required from non-executive Directors. Performance evaluation should be used to assess whether the non-executive Directors are spending sufficient time to fulfil their duties; and
- 3.1.9 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 membership and involvement outside Board meetings.

The Nomination Committee shall also make recommendations to the Board:

as regards plans for succession for both executive and non-executive Directors, and in particular for the roles of Chairman and Chief Executive;

as regards the re-appointment of any non-executive Director at the conclusion of his or her specified term of office;

as to the continuation or not (as the case may be) in service of any Director who has reached the age of 70;

concerning the re-election by shareholders at the annual general meeting of the Company of any Director under the retirement by rotation provisions in the Company's Articles of Association;

regarding suitable candidates for the role of senior independent Director;

concerning any matters relating to the continuation in office as a director of any Director at any time; and

concerning the appointment of any Director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendations for which shall be considered at a Board meeting.

Reporting Responsibilities

The Committee Chairman shall report formally to the Board on its proceedings after each Nomination Committee meeting.

3.2

3.3 In the light of its other duties, the Nomination Committee shall make whatever recommendations to the Board it deems appropriate.

The Nomination Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

The Committee shall, on an annual basis, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and make any appropriate recommendations to the Board.

4 Authority

The Nomination Committee is authorised by the Board:

to seek any information it requires from any employee, consultant and other provider of services to the Company in order to perform its duties; and

to obtain, at the cost of the Company, outside legal or other independent professional advice (including that of search consultants) on any matter within its terms of reference.