

**PANMURE GORDON & CO. PLC**

**NOMINATION COMMITTEE  
TERMS OF REFERENCE**

**1. Structure**

**1.1 Members**

Anthony Cann	Non-Executive Director
Simon Heale	Non-Executive Director
Shahzad Shahbaz	Non-Executive Director
Ed Warner	Non-Executive Director

Other directors, the Head of HR or representatives of external advisors will be invited to attend as appropriate.

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.

**1.2 Chairman**

Simon Heale will act as chairman of the Nomination Committee. In his absence, the Committee will elect a Chairman from among those present.

**1.3 Secretary**

The Company Secretary will act as Secretary to the Nomination Committee.

**1.4 Quorum**

The quorum for a meeting of the Nomination Committee shall be two.

**1.5 Meetings**

The Nomination Committee will meet on an ad-hoc basis as and when required.

**2. Responsibilities of the Nomination Committee**

The responsibilities of the Nomination Committee are:

- To be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise, save that appointments as Chairman or Chief Executive should be matters for the Board as a whole;
- 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 to prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - use open advertising or the services of external advisers to facilitate the search;

- consider candidates from a wide range of backgrounds; and
- consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- To 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;
- To 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;
- 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 organisation to compete effectively in the marketplace;
- To keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- 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; and
- 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.

The Committee shall also make recommendations to the Board concerning:

- Plans for succession for both executive and non-executive directors, including for the roles of Chairman and Chief Executive;
- Suitable candidates for the role of senior independent director;
- Membership of the Audit and Remuneration Committees, in consultation with the Chairmen of those committees;
- The re-appointment of any non-executive director at the conclusion of their specified term of office 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;
- The continuation (or not) in service of any director who has reached the age of 70;
- The re-election by shareholders of any director under the 'retirement by rotation' provisions in 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;
- 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.

**3. Reporting Responsibilities**

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

**4. Annual General Meeting**

The Chairman of the Committee will attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

**5. Authority**

- 5.1 The Nomination Committee has the authority to seek any necessary information to fulfil its responsibilities and all management and employees are directed to co-operate with any request made by the Committee.
- 5.2 The Nomination Committee has the right to obtain external legal assistance and any professional advice which might be necessary for the fulfilment of its duties at the cost of the Company.

**6. Minutes**

Minutes of decisions will be recorded for each meeting of the Nomination Committee. All minutes are to be signed by the Chairman of the meeting. Once agreed, a copy of the minutes will be sent to all members of the Board, unless a conflict of interest exists.