

## TELECOM PLUS PLC

### Terms of Reference for the Nomination Committee

#### 1. Constitution

The Board resolved to establish a Committee of the Board to be known as The Nomination Committee on 1<sup>st</sup> April 2004. The Terms of Reference were revised on 5<sup>th</sup> May 2011.

#### 2. Membership

- 2.1. The membership of the Nomination Committee shall be appointed by the Board and shall consist of at least three Directors, the majority of whom shall be independent non-executive Directors. Appointments to the Nomination Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.
- 2.2. The Board shall appoint the chairman of the Nomination Committee and shall decide his or her period of office. The chairman of the Nomination Committee may not be an executive director and the Chairman of the Board may not chair the committee when it is dealing with the appointment of his or her successor.

#### 3. Quorum

A quorum shall be two members of the Committee. 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 Committee.

#### 4. Attendance

- 4.1. No one other than the Nomination Committee chairman and members is entitled to vote at a meeting of the Nomination Committee.
- 4.2. The chairman of the Nomination Committee may invite any other director and any other executive or member of senior management to advise, join meetings and/or to speak at any meeting of the Nomination Committee by prior arrangement with the chairman of the Nomination Committee notwithstanding that they are not members of the Nomination Committee.
- 4.3. The chairman of the Nomination Committee shall be available at the Annual General Meeting to answer questions on the Nomination Committee's activities.
- 4.4. The Company Secretary or his or her nominee shall act as the secretary of the Nomination Committee.

## 5. Frequency of Meetings

Meetings shall normally held at such times as the Nomination Committee deems appropriate and in any event shall normally be held at least once per year. The Chairman of the Board may request a meeting if he/she reasonably considers that one is necessary.

## 6. Authority

- 6.1. The Nomination Committee is authorised by the Board to investigate any activity within its terms of reference as set out below. It is authorised to seek any information it requires from any employee or director of the Company and all employees are directed to co-operate with any request made by the Nomination Committee.
- 6.2. The Nomination Committee is authorised by the Board to obtain outside legal or other independent 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 Nomination Committee will act in conjunction with the Chairman of the Board.

## 7. Duties

The Nomination Committee shall be responsible for all aspects of the appointment of directors of the Company. The Nomination Committee shall:

- 7.1. regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- 7.2. 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;
- 7.3. 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;
- 7.4. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 7.5. be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- 7.6. before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity 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 Nomination Committee shall, where appropriate:

- 7.6.1. use open advertising or the services of external advisers to facilitate the search;
  - 7.6.2. consider candidates from a wide range of backgrounds;
  - 7.6.3. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, taking care that appointees have enough time available to devote to the position.
- 7.7. for the appointment of a chairman, prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the chairman's commitments should be reported to the Board as they arise;
  - 7.8. prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
  - 7.9. 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 service and involvement outside Board meetings;
  - 7.10. review the results of the Board performance evaluation process that relate to the composition of the Board;
  - 7.11. review on an annual basis 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;

The Nomination Committee shall also make recommendations to the Board concerning:

- 7.12. formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chairman and chief executive;
- 7.13. suitable candidates for the role of senior independent director;
- 7.14. membership of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the chairmen of those committees;
- 7.15. 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;
- 7.16. the re-election by shareholders of directors under the annual re-election provisions of the Code or 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 and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);

7.17. 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;

7.18. the appointment of any director to executive or other office.

## 8. Reporting procedures

8.1. The Nomination Committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;

8.2. The Nomination Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;

8.3. The Nomination Committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

## 9. Other matters

The Nomination Committee shall

9.1. have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;

9.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;

9.3. give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate;

9.4. arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.