

NOMINATION COMMITTEE

Terms of Reference

As approved by the Board of Directors on 18th June 2015

1. Constitution

- 1.1. The Board of Directors of TClarke plc ('the Board') has established the Nomination Committee ('the Committee') as part of its process for establishing formal, rigorous and transparent arrangements for the appointment of new directors to the Board.
- 1.2. The Committee is a committee of the Board and has no authority independent of the functions delegated to it. The Committee is to report its findings and recommendations directly to the Board. There is to be no delegation of executive power to the Committee, and the functions of the Committee do not relieve the Board of any of its responsibilities.

2. Membership

- 2.1. The Committee shall consist of a minimum of two members appointed by the Board and a majority of the members of the Committee shall be independent non-executive directors.
- 2.2. The Chair of the Committee, who should either be the Chairman of the Board or an independent non-executive director, will be appointed by the Board. In the absence of the Chair at a meeting, the remaining members present shall select one of themselves to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of the chairman's succession.
- 2.3. Where practicable having regard to the size of the Board, appointments should be for a period of up to three years, extendable by no more than two additional three year periods.
- 2.4. The Company Secretary or his or her nominee shall be the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3. Meetings

- 3.1. The Committee shall meet at least once a year and otherwise as required.
- 3.2. A meeting of the Committee may be called by the Secretary at the request of the Chair of the Committee.
- 3.3. The quorum for the meetings of the Committee shall be two members, both of whom shall be independent non-executive directors.
- 3.4. Only members of the Committee have the right to attend Committee meetings. Other individuals, including other directors of the Company, the Head of Human Resources and external advisers, may be invited to attend all or part of the meeting as and when appropriate.
- 3.5. Unless otherwise agreed, notice of each meeting together with an agenda of items to be discussed and supporting papers shall be sent to each member of the Committee and any other person invited to attend no later than 3 days before the date of the meeting.
- 3.6. The secretary shall minute the proceedings and decisions of all the meetings of the Committee. The secretary shall circulate the minutes of the meetings to all members of the Committee and, once agreed, to all other members of the Board, unless it would be inappropriate to do so.

4. Duties

4.1. The Committee shall carry out the duties:

- 4.1.1. 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;
- 4.1.2. Satisfy itself with regard to succession planning for directors and other senior executives, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future;
- 4.1.3. Keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the markets in which it operates;
- 4.1.4. Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- 4.1.5. Before any appointment is made by the Board, evaluate the balance of skills experience, independence and knowledge on the Board and, in the light of this evaluation, prepare or approve a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:
 - Consider whether open advertising or other services of external advisers are appropriate to facilitate the search;
 - Consider candidates from a wide range of backgrounds; and
 - Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender.
- 4.1.6. Ensure on appointment that a candidate has sufficient time to undertake the role;
- 4.1.7. For an appointment of a chairman, prepare a job description, including the time commitment expected, and request the proposed chairman to disclose his other significant commitments to the Board;
- 4.1.8. 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 with the Company;
- 4.1.9. Ensure that on appointment to the Board, all non-executive directors receive a formal letter of appointment setting out clearly the time commitment expected of them in carrying out their role; and
- 4.1.10. Review the results of the board performance evaluation process that relate to the composition of the Board.
- 4.1.11. 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.

4.2. The Committee shall also make recommendations to the Board concerning:

- 4.2.1. Succession plans for both executive and non-executive directors and, in particular, the key roles of chairman and chief executive;
- 4.2.2. Suitable candidates for the role of senior independent director;
- 4.2.3. Membership of the audit and remuneration committees, and any other board committees as appropriate, in consultation with the chairmen of those committees;
- 4.2.4. The re-appointment of any non-executive director at the conclusion of his or her specified term of office having given due regard to his or her 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);

- 4.2.5. The re-election by shareholders of any director under the retirement provisions in the Company's articles of association and the annual re-election provision of the UK Corporate Governance Code, if applicable, having due regard to their performance and ability to continue to contribute to the Board;
- 4.2.6. 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 or the Company, subject to the provisions of law and his or her service contract; and
- 4.2.7. Concerning the appointment of any director to executive or other office.

5. Reporting procedures

- 5.1. The Chair of the Committee shall report to the Board on the Committee's proceedings at the Board meeting following each Committee meeting on all matters within its duties and responsibilities.
- 5.2. The Committee shall make whatever recommendations to the Board that it deems appropriate on any area within its remit where action or improvement is needed.
- 5.3. A section will be included in the annual report describing the Committee's work. The report should include:
 - an explanation of the terms of reference of the Committee;
 - The names of all members of the Committee during the period;
 - The number of meetings held and attendance levels;
 - A statement detailing the activities and process used for appointments to the Board during the period, including whether open advertising or external search consultants were used in the appointment of a chairman or non-executive director and an explanation if not used;
 - Where external search consultants were used, their name and whether they have any other connection with the Company; and
 - A description of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy and progress on achieving the objectives.
- 5.4. The Chair of the Committee will be expected to attend the annual general meeting to respond to any shareholder questions on the Committee's activities.

6. Other matters

- 6.1. The Committee shall:
 - 6.1.1. 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;
 - 6.1.2. Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
 - 6.1.3. The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference;
 - 6.1.4. Give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate;
 - 6.1.5. Work and liaise as necessary with all other board committees; and
 - 6.1.6. Review its own performance, its constitution and its terms of reference on at least an annual basis to ensure it is operating effectively and make recommendations to the Board of any changes considered necessary.