

FENNER PLC

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

JUNE 2009

1. MEMBERSHIP

- 1.1 The Committee shall be appointed by the Board, and shall comprise the non-executive Directors and the Chief Executive. The majority of the members of the Committee will be independent non-executive directors.
- 1.2 The Committee Chairman shall be the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these Terms of Reference to be appointed to that position by the Board. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
- 1.3 Only members of the Committee have the right to attend Committee Meetings, however, other individuals may be invited to attend for all or part of any meeting, as and when appropriate.

2. SECRETARY

- 2.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

3. QUORUM

- 3.1 The quorum necessary for the transaction of business shall be three (3). A duly convened meeting of the 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. FREQUENCY OF MEETINGS

- 4.1 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.

5. NOTICE OF MEETINGS

- 5.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee and any other person required to attend no later than 5 working days before the date of the Meeting.

6. MINUTES OF MEETINGS

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings.
- 6.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and once agreed to all other members of the Board unless a conflict of interest exists.

7. ANNUAL GENERAL MEETING

- 7.1 The Chairman of the Committee shall attend the AGM prepared to respond to any shareholder questions on the Committee's activities.

8. DUTIES

The Committee shall:

- 8.1 regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board and make recommendations to the Board with regard to any changes;
- 8.2 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 Group and what skills and expertise are therefore needed on the Board in the future;
- 8.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies, including the Senior Independent Director, as and when they arise;
- 8.4 before appointment or reappointment is made by the Board, 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;
- 8.5 in identifying suitable candidates 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;
- 8.6 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;
- 8.7 keep up to date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates;
- 8.8 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;
- 8.9 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;

- 8.10 consider and make recommendations to the Board regarding the re-appointment of any non-executive director at the conclusion of their specified term of office;
- 8.11 consider and make recommendations to the Board regarding the re-election by shareholders of any director under the 'retirement by rotation' provisions in the Company's articles of association;
- 8.12 consider and make recommendations to the Board regarding the continuation (or not) in service of any director who has reached the age of seventy if required by the Company's articles of association;
- 8.13 consider 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;
- 8.14 consider and make recommendations to the Board regarding membership of the Audit and Remuneration Committees, in consultation with the chairmen of these Committees;

9. REPORTING RESPONSIBILITIES

- 9.1 the Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;
- 9.2 make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- 9.3 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;

10. OTHER

- 10.1 review, at least once a year, its own performance, 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.

11. AUTHORITY

The Committee is authorised

- 11.1 to seek any information it requires from any employee of the company in order to perform its duties;
- 11.2 to obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference.