

Nominet UK

Nominations Committee Terms of Reference

Version Date: [*February 2010*]

1. Committee establishment

- 1.1 The Company's Nominations Committee ("*the Committee*") was established, with these Terms of Reference, by resolution of the Company's Board under Article 42 of the Company's Articles of Association on [*date of establishment resolution*].
- 1.2 The version date above if not that date, is the subsequent date of the latest amending Board resolution.
- 1.3 The provisions of Article 42 generally allowing a Nominet committee established by the Board to co-opt further members of the committee and to delegate any of its functions to the chief executive, or any director, shall not apply to the Nominations Committee.

2. Committee primary functions

The Committee has the following primary functions:

- 2.1 promptly to identify and nominate, for the approval of the Board, candidates to fill vacancies as Appointed Directors of the Company as and when they arise;
- 2.2 to review and nominate, for the approval of the Board, candidates to fill the positions of Executive Directors of the Company as and when such positions become subject to new appointment (including prospective reappointment), taking account of the capacity of the relevant candidates effectively to contribute to the Board;
- 2.3 generally, in performing its functions, to promote the public benefit objects and best interests of Nominet.

3. Committee duties and responsibilities

- 3.1 In fulfilling its primary functions the Committee shall:
 - 3.1.1 evaluate the general capability and the balance of skills, knowledge, experience and diversity on the Board and seek to make nominations intended at least to maintain and as far as possible to improve the composition of the Board in such terms;
 - 3.1.2 taking account of such evaluation, prepare a description of the role of and requisite and preferred capabilities for a particular appointment;
 - 3.1.3 identify suitable candidates for a particular appointment using open advertisement and/or external independent advice as part of the process, unless special circumstances require otherwise;

- 3.1.4 assess candidates on merit and against objective criteria, taking care to ensure that they will have enough time available to devote to the relevant position;
- 3.1.5 ensure any material personal dealing between a Committee member and a candidate for nomination is duly disclosed and appropriately managed in accordance with conflict of interest management procedures.
- 3.2 To complement performance of its primary functions of the Committee shall regularly review and, as it considers appropriate, make recommendations to the Board in respect of:
 - 3.2.1 the structure, size, composition, capability, balance and effectiveness of the Board;
 - 3.2.2 the composition, capability, balance and effectiveness of the Committee;
 - 3.2.3 the succession planning of the Company in respect of the Board and senior executives;
 - 3.2.4 the time required from a non-executive director and the time committed by non-executive directors;
 - 3.2.5 induction procedures for Board membership, including the provision of a formal letter of appointment and information on the relevant role and the Company's expectations of the director in terms of commitment and performance on the Board and related roles within the Company.

4. Committee membership

- 4.1 The Board shall appoint members of the Committee, which shall comprise at least three directors.
- 4.2 Appointments to the Committee shall be for a period of up to three years and may be renewed.
- 4.3 A person shall cease to be a member of the Committee:
 - 4.3.1 at the end of his/her period of appointment (subject to reappointment);
 - 4.3.2 on ceasing to be a director;
 - 4.3.3 through a resolution of the Board terminating his/her appointment;
 - 4.3.4 on written notice of resignation from the appointment to the Company Secretary.
- 4.4 No director shall participate as a member of the Committee in relation to any nomination relating to a position for which he or she is a prospective candidate.
- 4.5 The Board may appoint the chairman of the Committee. In the absence of such a Board appointment, or the appointed chairman at a quorate meeting of the Committee, the Committee shall elect a chairman from among its members.

4.6 The Board may appoint a Committee secretary, in particular for the purpose of maintaining proper minutes of the Committee. In the absence of such a Board appointment, or the appointed Committee secretary at a quorate meeting of the Committee, the Committee shall arrange for appropriate minutes to be kept by one of its members.

5. Committee procedures

5.1 The quorum for business of the Committee to be undertaken shall be three. Any business of the Committee may be undertaken at a quorate Committee meeting.

5.2 The Committee shall meet at least twice a year and otherwise as directed by the Board, or when otherwise summoned by the Committee chairman in his or her discretion.

5.3 Meetings shall generally be summoned by the Committee secretary and should be summoned on at least five working days written notice, including the agenda and relevant papers.

5.4 Each Committee member shall provide an e-mail address which shall be the principal communication address for written notices and communications relevant to the Committee.

5.5 Minutes of the Committee shall include names of all those present and in attendance at Committee meetings, all decisions made and a reasonable record of key deliberations.

5.6 Draft minutes of a Committee meeting shall be circulated promptly to all Committee members with a reasonable period for comments to be made. Once that period has elapsed the Committee chairman shall take responsibility for finalising and signing the minutes.

6. Committee reporting obligations

6.1 Once finalised, Committee minutes shall be submitted to the Board, subject to any conflict of interest issue that might arise.

6.2 The Committee chairman shall take responsibility for determining how any such conflict of interest issue should be addressed and shall report this to the chairman of the Company (or his or her designated deputy for the purpose, if the conflict of interest issue concerns the chairman of the Company).

6.3 The Committee shall make such nominations/recommendations to the Board as it considers appropriate in accordance with its duties and responsibilities, in relation to prospective appointments, or the processes and procedures relating to appointments.

6.4 The Committee chairman shall, unless otherwise instructed, be prepared to report formally to each Board meeting and the Company's annual general meeting on the proceedings of the Committee.

6.5 The Committee shall approve a Nominations Committee statement for publication in each annual report of the Company, relating to its activities.

- 6.6 It shall be a particular matter for due reporting if the Nominations Committee adopts any procedure for identifying appropriate Nominations for the position of Appointed Director through a process which does not involve open advertisement and/or external independent advice as part of the process.