

## **21<sup>st</sup> Century Technology plc**

### **NOMINATION COMMITTEE - TERMS OF REFERENCE**

(Approved by the Board on 18 February 2005)

#### **A. Sub-Committee of the Board**

The Nomination Committee ('the Committee') has been established as a sub-committee of the Board.

#### **B. Membership of the Committee**

1. The Committee shall comprise a minimum of one independent Non-Executive Director appointed by the Board and the Chairman of the Board. For this purpose 'independent' shall mean that, apart from Directors' fees and shareholdings, they are independent of management, independent in character and judgement and free from any business or other relationship or circumstance which is likely to affect, or could appear to affect, the exercise of their independent judgement as a Committee member.
2. The Board shall appoint the Committee Chairman who should be an independent Non-Executive Director or the Chairman of the Board and determine the period for which the members of the Committee shall hold office (which shall ordinarily be three years, subject to one further extension to a full term of six years), provided that the majority of the Nomination Committee remain independent.
3. The Chairman of the Company and the Senior Independent Non-Executive Director will be members of the Committee.
4. The Committee Chairman and members shall be listed each year in the Annual Report.

#### **C. Purposes of the Committee**

To lead the process for board appointments and make recommendations to the Board.  
To maintain the balance and effectiveness of the Board, identifying those skills needed and those individuals who might best provide them.

To this end the Committee shall:

- i) review from time to time, with the Chairman of the Board, the Board structure, size and composition and make recommendations to the Board with regard to any adjustments it deems necessary;
- ii) evaluate the balance of skills, knowledge and experience on the Board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- iii) following a formal selection process for candidates, which the Committee should establish, identify and nominate candidates for the approval of the Board, to fill Board vacancies as and when they arise;
- iv) make recommendations to the Board for the appointment of the Company Secretary;

v) give full consideration to succession planning for appointments to the Board and to senior management;

vi) in conjunction with the Chairman of the Board review the performance of Directors due to retire by rotation at a forthcoming Annual General Meeting and recommend to the Board whether or not the Director concerned should be invited to put his or her name forward for re-election;

vii) in conjunction with the Chairman of the Board ensure that Board appointees undergo an appropriate induction programme;

viii) prepare a job specification for the appointment of the Chairman of the Board, including an assessment of the time commitment expected, recognising the need for availability in the event of a crisis;

ix) arrange for Non-Executive Directors to receive a formal letter of appointment to the Board, on their appointment, setting out the expected time commitment;

x) prepare a statement for inclusion in the Annual Report which describes the work of the Committee, the process used for board appointments and gives an explanation if neither an external search consultancy nor open advertising has been used in the appointment of the Chairman or a Non-Executive Director; as well as including details of the number of Committee meetings and attendance by each member;

xi) make available these Terms of Reference, explaining the Committee's role and the authority delegated to it by the Board;

xii) consider any other matters referred to the Committee by the Board.

#### **D. Meetings**

1. The Committee shall meet as necessary.

2. A meeting of the Committee may be called by any one member of the Committee upon giving reasonable notice to the other members of the Committee.

3. Other Board members shall have a right of attendance.

4. No Board Director or Committee attendee shall participate in any discussion or decision on his own re-election or on any matter where a potential conflict of interest may arise and (if so requested by the Committee) shall not be in attendance whilst such resolution is being considered by the Committee.

5. The quorum necessary for the transaction of business by the Committee shall be two.
6. In the absence of the Committee Chairman or any appointed Deputy, the remaining members present shall elect one of their number to chair the meeting.
7. In the event of equality of votes, the Committee Chairman shall have a casting vote.
8. Each member of the Committee shall disclose to the Committee any personal financial interest in any matter to be decided by the Committee and any potential conflict of interest arising from a cross-directorship.

**E. Professional Advice and Other Information**

1. The Committee is authorised by the Board to seek any information it requires from any staff member of the Company in order to perform its duties.
2. The Committee is authorised by the Board, in the furtherance of its duties, to obtain outside legal or other independent professional advice at the Company's expense. Any advice obtained shall be available to the other members of the Board and the Company Secretary, if the Board so requests.

**F. Company Secretary**

1. The Company Secretary shall act as the Secretary of the Committee.
2. The Secretary shall keep appropriate records of all meetings of the Committee as well as minutes of the proceedings and all decisions made and such minutes shall be distributed, as appropriate, to all members of the Committee and the Chairman of the Board (whether or not he is a member of the Committee).
3. Any Director may on request to the Secretary of the Committee, provided there is no conflict of interests, obtain copies of the Committee's agenda and minutes.

**G. Annual General Meeting and Contact with Shareholders**

All members of the Committee shall attend the Annual General Meeting and the Chairman of the Committee shall be prepared to respond to any shareholder's questions on the Committee's activities