

**GATELEY (HOLDINGS) PLC (the Company)**  
**NOMINATION COMMITTEE - TERMS OF REFERENCE**

The nomination committee of the Company (the **Nomination Committee**) has been established as a board committee in accordance with the Company's articles of association by resolution of the board of directors of the Company (the **Board**) passed on 26 May 2015.

**1. PURPOSE**

The purposes for which the Nomination Committee is established are to ensure that:

- 1.1 the Board and its committees have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively with the balance and effectiveness of the Board being reviewed on a regular basis;
- 1.2 there are formal, rigorous and transparent procedures in place for the appointment of new directors to the Board; and
- 1.3 each member of the Board is able to allocate sufficient time to the Company to discharge their responsibilities effectively.

**2. MEMBERSHIP**

- 2.1 The members of the Nomination Committee shall be appointed by the Board.
- 2.2 The Nomination Committee shall have at least two members. At all times, a majority of the members of the Nomination Committee shall be an independent non-executive directors, that is, independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment.
- 2.3 Appointments to the Nomination Committee shall be for a period of up to three years, which may be extended by no more than two additional periods of up to three years each provided that the majority of the committee members remain independent.
- 2.4 The chair of the Nomination Committee shall be appointed by the Board and shall be either the chair of the Board or an independent non-executive director. In the absence of the chair of the Nomination Committee, the remaining members present at a meeting of the Nomination Committee shall elect one of their number to chair that meeting. The chair of the Board shall not chair any meeting of the Nomination Committee when it is dealing with the appointment of a successor to the chair of the Board.
- 2.5 If a member is unable to act for any reason the chair of the Nomination Committee may appoint another non-executive director as an additional member provided always that the majority of members of the committee shall be independent as described in paragraph 2.2 above.
- 2.6 The first members of the Nomination Committee shall be Nigel Payne, Michael Seabrook and Joanne Lake and the first chair shall be Nigel Payne.

**3. SECRETARY**

The secretary of the Nomination Committee shall be the secretary of the Company or such other person as the Nomination Committee may appoint.

**4. QUORUM**

The quorum for all meetings of the Nomination Committee shall be two members. 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 Nomination Committee.

**5. MEETINGS**

- 5.1 The Nomination Committee shall meet at least twice each year and otherwise as required.
- 5.2 Meetings of the Nomination Committee shall be convened by the secretary of the Nomination Committee at the request of its chair. In addition, the chair of the Board may ask

the secretary of the Nomination Committee to convene a meeting if he/she considers that such a meeting is necessary or appropriate.

- 5.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the items to be discussed, shall be forwarded to each member of the Nomination Committee, any other person required to attend and all other non-executive directors of the Company, no later than five working days before the date of the meeting. Any supporting papers shall be sent to members of the Nomination Committee and to other attendees, as appropriate, at the same time.

## 6. COMMITTEE MEETINGS BY TELEPHONE

- 6.1 Subject to the Company's Articles of Association in force from time to time, a meeting of the Nomination Committee may consist of a conference between the members of the Nomination Committee some or all of whom are in different places provided that each member of the Nomination Committee may participate in the business of the meeting whether directly, by telephone or by any other electronic means which enables him:

6.1.1 to hear each of the other participating members of the Nomination Committee, and any other person invited to attend the meeting in accordance with paragraph 7, addressing the meeting; and

6.1.2 if he so wishes, to address simultaneously all of the other participating members of the Nomination Committee and any other person invited to attend the meeting in accordance with paragraph 7.

- 6.2 A quorum is deemed to be present if those members of the Nomination Committee required to form a quorum as set out in paragraph 4 above may participate in the manner specified in paragraph 6.1 above in the business of the meeting.

- 6.3 A Nomination Committee meeting held in the manner specified in paragraph 6.1 above is deemed to take place at the place where the largest group of participating members of the Nomination Committee is assembled or, if no such group is readily identifiable, at the place from where the chair of the Nomination Committee participates

## 7. ATTENDANCE AT MEETINGS

Only members of the Nomination Committee have the right to attend meetings of the Nomination Committee. However, the Nomination Committee may invite any person it thinks appropriate to join the members of the Nomination Committee at its meetings.

## 8. VOTING AT MEETINGS

- 8.1 Each member of the Nomination Committee, present and voting in person at a meeting, shall have one vote which may be cast on each matter considered at that meeting.

- 8.2 A member shall not be permitted to vote on any matter considered at a meeting in relation to which that member is considered by the Nomination Committee to have a direct or indirect personal interest.

- 8.3 Save where he is prevented from voting in accordance with paragraph 8.2, the chair of the Nomination Committee shall have a casting vote.

## 9. AUTHORITY

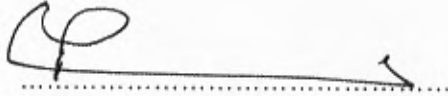
The Nomination Committee is authorised by the Board to:

- 9.1 investigate any activity within its terms of reference;
- 9.2 seek any information it requires from any employee or director of the Company who shall be directed to co-operate with any request made by the Company;
- 9.3 obtain outside legal or other independent professional advice at the Company's expense, when the Nomination Committee reasonably believes it is necessary to do so; and
- 9.4 instruct external professional advisers to attend any meeting at the Company's expense if the Nomination Committee considers this necessary or appropriate.

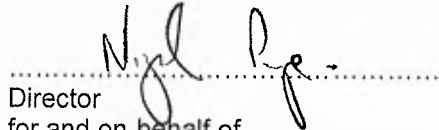
10. **FUNCTION, DUTIES AND TERMS OF REFERENCE**
- 10.1 Generally, the Nomination Committee should lead the process for Board appointments and make recommendations to the Board.
- 10.2 In particular, the Nomination Committee shall:
- 10.2.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board and make recommendations to the Board with regard to any changes;
  - 10.2.2 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;
  - 10.2.3 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
  - 10.2.4 be responsible for identifying, and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
  - 10.2.5 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 committee shall:
    - (a) use open advertising or the services of external advisers to facilitate the search;
    - (b) consider candidates from a wide range of backgrounds; and
    - (c) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
  - 10.2.6 for the appointment of a chair of the Board, prepare a job specification, including the time commitment expected. A proposed chair's other significant commitments should be disclosed to the Board before appointment and any changes to the chair's commitments should be reported to the Board as they arise;
  - 10.2.7 prior to the appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and require such appointee to report any future business interests that could result in a conflict of interest;
  - 10.2.8 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;
  - 10.2.9 review the results of the Board performance evaluation process that relate to the composition of the Board; and
  - 10.2.10 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;
- 10.3 The Nomination Committee shall also make recommendations to the Board concerning:
- 10.3.1 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chair and chief executive;
  - 10.3.2 suitable candidates for the role of senior independent director;

- 10.3.3 membership of the Audit and Remuneration Committees, and any other Board committees as appropriate, in consultation with the respective chairs of committees;
  - 10.3.4 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;
  - 10.3.5 the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance 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);
  - 10.3.6 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 of the Company subject to the provisions of the law and their service contract; and
  - 10.3.7 the appointment of any director to executive or other office.
- 10.4 The Nomination Committee shall consider such other matters as may be requested by the Board.
- 11. OTHER MATTERS**
- The Nomination Committee shall:
- 11.1 have access to sufficient resources in order to carry out its duties;
  - 11.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
  - 11.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code, the AIM Rules for Companies, the United Kingdom Listing Authority's Disclosure and Transparency Rules (in so far as they apply to the Company) and any other applicable rules as appropriate; and
  - 11.4 arrange for periodic reviews of its own performance and, at least once a year, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend to the Board any changes it considers necessary.
- 12. REPORTING RESPONSIBILITIES**
- 12.1 The chair of the Nomination Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Nomination Committee shall make whatever recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed.
  - 12.2 The Nomination Committee shall report annually on the Board's behalf to the Company's shareholders. Its report should be included in the Company's annual report and accounts and should include details of the process it has used in relation to any Board appointments. If neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director, an explanation should be given in the Nomination Committee's report.
  - 12.3 The chair of the Nomination Committee should attend the Company's annual general meeting for the purpose of handling questions and enquiries at the meeting about any matters relating to the work of the Nomination Committee.
- 13. MINUTES**
- 13.1 The secretary of the Nomination Committee shall prepare minutes of the proceedings and resolutions of committee meetings, including the names of those present and in attendance.

- 13.2 Drafts of such minutes shall be circulated promptly to all members of the Nomination Committee and, once approved, the minutes shall be submitted to all members of the Board (unless to do so would be inappropriate).
- 13.3 The recommendations made in the minutes of the Nomination Committee must be approved by the Board before they can be implemented.



Director  
for and on behalf of  
the board of directors of Gateley (Holdings) plc



Director  
for and on behalf of  
the Nomination Committee of  
the board of directors of Gateley (Holdings) plc

Date: 26 May 2015