

MELROSE PLC
(the “Company”)

NOMINATION COMMITTEE
(the “Committee”)

Composition and Terms of Reference

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The Committee is established in accordance with article 101 of the Articles of Association of the Company.

1. Membership

- 1.1 The non-executive Directors and the Chairman of the Company will be members of the Committee.
- 1.2 No one other than a Committee Member is entitled to attend meetings of the Committee but other persons may attend meetings of the Committee whenever requested by the Committee.
- 1.3 Appointments to the Committee shall be for a period of up to three years which may be extended by two further three-year periods, provided the member remains independent.
- 1.4 Mr M H Templeman or, in his absence any other non-executive Director of the Company nominated by him for that purpose, will be the Chairman of the Committee.

2. Secretary

The Secretary of the Committee shall be the Secretary of the Company.

3. **Quorum**

Any 2 non-executive Directors shall constitute a quorum except that no member shall be entitled to attend and therefore be included in the calculation of any quorum when his own position is under discussion.

4. **Frequency of Meetings**

4.1 The Committee shall meet at least twice per year and at such other times as the Committee Members request.

5. **Notice of Meetings**

5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee chairman.

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, generally no later than 5 working days before the date of the meeting.

6. **Minutes**

6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

6.2 Minutes of committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

7. **Annual General Meeting**

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

8. **Duties**

8.1 The Committee shall;

- 8.1.1 keep the membership (including the structure, size and composition) of the Board under regular review and recommend to the Board any adjustments it thinks necessary;
- 8.1.2 give full consideration to succession planning to ensure the optimum balance of executive/non-executive Directors, disciplines, age and relevant experience.
- 8.1.3 receive and consider reports on the identification and career planning in respect of the senior executives of the Company and/or any of its subsidiaries from time to time (together the “**Melrose Group**”) judged to have potential for the Board and to ensure the planned development of any executives so identified. Take all practical steps to meet and form personal judgements on those so identified
- 8.1.4 before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board and accordingly be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.

In making appropriate recommendations to the Board in order to satisfy its responsibilities shall:

- where necessary, use open advertising or external recruitment advisers;
- consider candidates from a wide range of backgrounds; and
- consider candidates on merit and against objective criteria and ensure on appointment that a candidate has sufficient time to undertake the role.

In particular, the Committee should consider that no individual should be appointed to a second chairmanship of a FTSE 100 company and a full time executive Director should not take on more than one non executive Directorship in a FTSE 100 company nor the chairmanship of such a company;

- 8.1.5 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.
- 8.1.6 keep up to date and fully informed about strategic issues and commercial changes affecting the company and market in which it operates.
- 8.1.7 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.

8.1.8 ensure that on appointment non-executive Directors receive a formal letter setting out what is expected of them in terms of time commitment, committee service and involvement outside board meetings.

8.2 The Committee shall make recommendations to the Board concerning:

8.2.1 formulating plans for succession of both executive and non-executive Directors and in particular for the key roles of chairman and chief executive;

8.2.2 Suitable candidates for the role of senior independent Director;

8.2.3 Membership of the Audit and Remuneration Committees, in consultation with the chairman of those Committees;

8.2.4 the reappointment of any non-executive Director at the conclusion of his or her 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;

8.2.6 the re-election by shareholders of Directors who will be retiring by rotation to be proposed for re-election having regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required; and

8.2.7 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;

8.2.8 the appointment of any Director to executive or other office.

9. **Reporting**

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 The Committee shall make whatever further recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed; and

9.3 The Committee shall make a statement in the Company's 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**

The Committee shall, at least once a year, review 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 to:

- 11.1 obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- 11.2 require any other employee of the Melrose Group to attend at its meetings to provide any information or assistance that the Committee deems necessary in order to perform its duties.

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