



Terms of reference for the Nominations Committee

The Nominations Committee of the Board of Directors has been established with delegated powers in accordance with Article 92 of the Articles of Association.

1. Membership

- 1.1 The Nominations Committee (the “Committee”) shall comprise at least three directors. Appointments to the Committee are made by the Board. The Committee shall be formed of the Chairman of the Board and independent non-executive directors.
- 1.2 The Board shall appoint the Committee Chairman who should be either Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves 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; and
- 1.3 only members have the right to attend Committee meetings. However, other individuals such as the Chief Executive and other executive directors, representatives from HR and external advisers may be invited to attend all or part of a meeting, as and when appropriate and necessary.

2. Secretary

The Company Secretary or his or her nominee shall act as secretary of the Committee.

3. Quorum

The quorum necessary for the transaction of business shall be two, both of whom must be independent non-executive directors. 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

The Committee shall meet at least twice a year and otherwise as required.

5. Notice of meetings

In general, notice of each meeting confirming the venue, time and date, with an agenda of items to be discussed and any supporting papers, shall be forwarded to each member of the Committee and any other person required to attend no later than five days before the date of the meeting.

6. Minutes of meetings

Minutes of Committee meetings shall be circulated to all members of the Committee and be available to all other members of the Board unless it would be inappropriate to do so.

7. Authority

In connection with its duties the Committee may select, set the terms of reference for and appoint external consultants at the Company's expense.

8. Duties

The Committee shall:

- 8.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board concerning 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 the skills and expertise needed on the Board in the future;
- 8.3 keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace;
- 8.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;

Duties (continued)

- 8.4 before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity of 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:
- 8.4.1 use open advertising or the services of external advisers to facilitate the search;
 - 8.4.2 consider candidates from a wide range of backgrounds; and
 - 8.4.3 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.
- 8.5 for the appointment of Chairman, the Committee should prepare a job specification, including the time commitment expected. A proposed Chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairman's commitments should be reported to the Board as they arise;
- 8.6 prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 8.7 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;
- 8.8 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;
- 8.9 recommend to the Board suitable candidates for the role of senior independent director;
- 8.10 recommend to the Board the membership of the Audit and Remuneration Committees, in consultation with the chairmen of those committees;
- 8.11 recommend to the Board the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their continued independence, performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 8.12 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; and
- 8.13 review the results of the Board performance evaluation process that relate to the composition of the Board.
- ## 9. Reporting responsibilities
- 9.1 The Committee chairman shall report to the Board on its proceedings after each meeting;
- 9.2 the Committee shall produce a report to be included in the Group's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Group;
- 9.3 the report referred to in 9.2 above should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives; and
- 9.4 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.



10. Other matters

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required. The Committee is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference;
- 10.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate;
- 10.4 arrange for periodic reviews of its own performance and its constitution to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 10.5 Review these terms of reference every two years and recommend any changes it considers necessary to the Board.

Approved by the Meggitt PLC Board of Directors on
14 December 2016.