AlbionVC

ALBION TECHNOLOGY & GENERAL VCT PLC

NOMINATION COMMITTEE - TERMS OF REFERENCE

The terms of reference of the Nomination Committee ('the Committee')are to evaluate the balance of skills, experience and time commitment of the current Board members, and to ensure that appointments are made on the grounds of merit against clear and objective criteria and bear in mind gender and other means of achieving diversity of thought. The Committee will make recommendations to the Board as and when the need for a particular appointment arises and for the annual re-election of board members.

1. Membership

1.1 The Committee shall comprise at least 2 Directors. A majority of the Members of the Committee should be independent non-executive Directors. All appointments to the Committee shall be made by the Board.

1.2 Only Members of the Committee have the right to attend Committee meetings. However, other individuals such as the Manager and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

1.3 The Board shall appoint the Committee Chairman who should be either the 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 their number 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.

2. Secretary

2.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

3. Quorum

3.1 The quorum necessary for the transaction of business shall be 2 Members, 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

4.1 The Committee shall meet at least once a year; all other meetings will be at the request of the Chairman.

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, shall be forwarded to each Member of the Committee, any other person required to attend and all other non-executive Directors, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee Members and to other attendees as appropriate, at the same time.

6. Minutes of Meetings

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 the Chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

7. Annual General Meeting

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

8. Duties

8.1 The Committee shall:

8.1.1 Regularly review the structure, size and composition (including the skills, knowledge, diversity and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes. The Committee will confirm a skills matrix against which recommendations will be made;

8.1.2 Give full consideration to succession planning for non-executive Directors in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise that are therefore needed on the Board in the future;

8.1.3 Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;

8.1.4 Before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience 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

- 8.1.4.1 Give consideration to the use of open advertising or the services of external advisers to facilitate the search;
- 8.1.4.2 Consider candidates from a wide range of backgrounds;
- 8.1.4.3 Consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position.

8.1.5 Keep under review the leadership needs of the organisation, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

8.1.6 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;

8.2 The Committee shall also make recommendations to the Board concerning:

8.2.1 Formulating plans for succession for non-executive Directors;
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 chairmen of those committees;
8.2.4 The re-appointment of any non-executive Director annually and 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;
8.2.5 Any matters relating to the continuation in office of any Director at any time subject to the provisions of the law and their service contract.

9. Reporting Responsibilities

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 recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9.3 The Committee shall make a statement in the 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

10.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

11. Authority

11.1 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.

11.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.