

Manual – Section 3.7

3.7 Nomination Committee – Terms of Reference

3.7.1 Purpose

- The Nomination Committee is a committee of the Group Board (the “Board”) established:
a) to ensure that the structure, size, composition, skill sets and performance of the Board and its main standing Committees are regularly reviewed and maintained at levels which are appropriate; b) to ensure that appropriate succession planning is in place for both members of the Board and the direct reports of the Group Chief Executive; c) to review and recommend proposed appointments to ExCo and to the boards and standing committees of subsidiary boards where these are material in the context of the Group as a whole; and d) to supervise the administration of the Company’s policies relating to actual or potential conflicts of interest affecting members of the Board. In carrying out its remit, the Nomination Committee shall have regard to requirements and recommendations contained in the Combined Code and other related guidance, such as the Walker Review.

3.7.2 Membership

- The Nomination Committee shall be appointed by the Board from among the Directors of Old Mutual plc and shall consist of not less than three members, of whom a majority shall be Non-Executive Directors who are considered by the Board to be independent (Independent NEDS). A quorum shall be two members (of whom at least one must be an Independent NED). Where the Nomination Committee is considering an actual or potential conflict of interest or any matter relating directly to the performance of one of its members, that person shall not participate in or attend the discussion and shall not be counted in the quorum while that matter is being addressed.
- The Board may at any time remove a member of the Nomination Committee.
- The Chairman of the Nomination Committee shall be appointed by the Board and shall be either the Chairman of the Board or the Senior Independent NED. If the Chairman of the Nomination Committee is the Chairman of the Board, he shall not chair the Committee when it is dealing with the appointment of a successor to the Chairman of the Board. Alternatively, the Board may in such circumstances decide to appoint a separate Chairman’s Selection Committee comprising a majority of Independent NEDs and chaired by one of them. In conducting a search for a successor Chairman, the Committee concerned should have regard to the Combined Code and the recommendations in the Walker Review.
- The Group Company Secretary shall be the Secretary of the Nomination Committee.

3.7.3 Meetings

- Meetings of the Nomination Committee shall be held not less than twice a year.
- The Chairman of the Nomination Committee shall attend the Annual General Meeting of the Company and be prepared to respond to any shareholder questions on the Committee's activities.

3.7.4 Roles and Responsibilities

The Nomination Committee shall:

- review and evaluate regularly the structure, size, composition, balance of skills, knowledge and experience and performance and effectiveness of the Board and its main standing Committees, make recommendations to the Board with regard to any adjustments that it considers appropriate, and approve the section in the Annual Report to shareholders dealing with the performance of the Board;
- be responsible for preparing a description of the role and capabilities required for particular appointments to the Board and for identifying and nominating candidates for the approval of the Board;
- review annually the time required for Non-Executive Directors to fulfil their duties, having due regard to the recommendations in the Walker Review and assess whether the Non-Executive Directors are spending enough time to fulfil those duties;
- make recommendations to the Board for the continuation (or not) in service of any Director as an Executive or Non-Executive Director;
- consider whether to recommend that Directors should be put forward for re-election at the Annual General Meetings of the Company;
- supervise and evaluate succession-planning arrangements for members of the Board, for senior executives who report directly to the Group Chief Executive and for any other members of ExCo, to ensure that these are orderly and calculated to maintain an appropriate balance of diversity, skills, knowledge and experience;
- review and, where appropriate, make recommendations to the Board about proposed appointments to the boards and standing committees of subsidiary businesses where these are material in the context of the Group as a whole, including the exercise of shareholder rights to remove a director, the nomination of Group representatives to sit on the boards of major subsidiaries, whether pursuant to Relationship Agreements with those subsidiaries, the Group Operating Model or otherwise;
- receive periodic reports on membership, and review annual reports on the effectiveness, of the boards of major subsidiaries within the Group;

- review and, where appropriate, make recommendations to the Board about actual or potential conflicts of interest affecting any member of the Board, carry out an annual review of declarations of conflicts of interest by the Board, and approve a report to shareholders on how the Company's policy on conflicts of interest has been applied during the year;
- ensure that on appointment to the Board Non-Executive Directors receive a formal letter of appointment stating what is expected of them.
- carry out an annual formal and rigorous evaluation of its own functions as a Committee.

3.7.5 Minutes

- The Secretary shall circulate the minutes of the meetings of the Nomination Committee to all members of the Committee and (if he is not a member of the Committee) to the Chairman of the Board. Any director may, upon request to the Secretary of the Committee, provided that there is no conflict of interests, obtain copies of the Committee's agenda and minutes.