

# **ARMOUR GROUP PLC**

**Terms of reference**

**for the**

**Nominations Committee**

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**Nominations Committee (“Committee”)**

**These terms of reference were adopted by resolution of the Board of Armour Group plc (“Board”) passed on 25 June 2007 and supersede any terms of reference previously adopted.**

**1. Purpose of the Committee**

1.1 The purpose of the Committee is to establish a formal, rigorous and transparent procedure for the appointment of new Directors to the Board.

**2. Committee constitution and membership**

2.1 The Committee has been established by resolution of the Board.

2.2 The members of the Committee shall be appointed by the Board.

2.3 The chairman of the Committee shall be appointed by the Board and should either be the Chairman of the Company or an independent non-executive Director. In the absence of the chairman of the Committee, the members present shall select one of their number present to chair the meeting. The Chairman of the Company should not chair the Committee when it is dealing with the appointment of a successor to the chairmanship.

2.4 The Company Secretary or such other person as shall be appointed by the chairman shall be the secretary of the Committee.

**3. Committee meetings**

3.1 The Committee will meet when necessary to consider new appointments and at such other times as the chairman of the Committee shall think fit.

3.2 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any member.

3.3 The quorum for meetings of the Committee shall be two members, of whom at least one must be a non-executive director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all of any of the authorities, powers and discretions vested in or exercisable by the Committee.

3.4 Decisions of the Committee will be made by majority vote. In the event of an equality of votes the Chairman of the Committee will have a second or casting vote.

**4. Committee Authority**

4.1 The Committee is authorised by the Board to investigate any activity or state of affairs within its terms of reference.

- 4.2 The Committee is authorised to seek any information it requires from any employees or officers. Such advice or assistance provided by any of the Company's executives shall be clearly separated from the executive's role within the business.
- 4.3 The Committee is authorised to select, set the terms of reference and appoint appointment consultants, at the Company's expense.
- 4.4 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other independent expert advice and to secure the attendance of external independent expert advisers at its meetings if it considers this necessary.

## 5. **Duties of the Committee**

- 5.1 The duties of the Committee are:
  - 5.1.1 To review as necessary the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary.
  - 5.1.2 To keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the ability of the Company to compete effectively in the marketplace.
  - 5.1.3 To prepare a description of the role and capabilities required for a particular appointment, having evaluated the balance of skills, knowledge and experience on the Board.
  - 5.1.4 To identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise.
  - 5.1.5 To satisfy itself with regard to succession planning, that the processes and plans are in place with regard to both Board and senior appointments.
  - 5.1.6 To review annually the time needed to fulfil the roles of Company Chairman and non-executive directors, and undertake an annual performance evaluation to ensure that all members of the Board have devoted sufficient time to fulfil their duties.
  - 5.1.7 To ensure on appointment that a candidate has sufficient time to undertake the role, and review his other commitments.
  - 5.1.8 To ensure that a letter is written to appointees, detailing the role and time commitments and proposing an induction plan, and, for non-executive directors, detailing committee service and involvement outside Board meetings.
  - 5.1.9 To give due consideration to the requirement of the AIM Rules of the UK Listing Authority.
  - 5.1.10 To review relevant reports and disclosures contained in the Company's annual report and accounts, and make recommendations to the Board as appropriate.

- 5.2 The Committee shall make recommendations to the Board:
- 5.2.1 In respect of any matter that it deems appropriate in the context of the scope of its responsibilities.
  - 5.2.2 With regard to succession plans for both executive and non-executive directors.
  - 5.2.3 With regard to the Chairman of the Company, having assessed every three years whether the incumbent should continue in post, taking into account the needs of continuity against freshness of approach.
  - 5.2.4 As regards the re-appointment of any non-executive director at the conclusion of his or her specified term of office, particularly when they have concluded their second three year term.
  - 5.2.5 For the continuation (or not) in service of any director who has reached the age of 70.
  - 5.2.6 Concerning the re-election by shareholders of any director under the “retirement by rotation” provision in the Articles of Association of the Company.
  - 5.2.7 Concerning any matters relating to the continuation in office as a director of any director at any time.
  - 5.2.8 Concerning the appointment of any director to executive or other office other than the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of all the directors.
  - 5.2.9 With regard to the membership and chairmanship of the Audit Committee.

**6. Records and other matters**

- 6.1 The secretary shall keep minutes of all resolutions and proceedings of the Committee and shall circulate these minutes to all members of the Committee and the Board.
- 6.2 The chairman of the Committee should be present at the Company’s annual general meeting to respond to questions on matters within the responsibility of the Committee.