

SHIRES SMALLER COMPANIES PLC
NOMINATIONS COMMITTEE
TERMS OF REFERENCE

Constitution

1. The Board hereby resolves to establish a Committee of the Board to be known as the Nominations Committee.

Membership

2. The Committee shall be appointed by the Board from among the Non-Executive Directors of the Company and shall consist of not less than 3 members. A quorum shall be 2 members.
3. The Chairman of the Committee shall be appointed by the Board.

Attendance at Meetings

4. Any Board Member shall have the right of attendance along with any other persons the Committee deems necessary to invite.
5. The Company Secretary shall be the Secretary of the Committee.

Frequency of Meetings

6. Meetings shall be held if and when the Board deem it necessary.

Authority

7. The Committee is authorised by the Board to undertake any activity within its duties outlined at paragraph 9 below.
8. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

9. The Duties of the Committee shall be:
 - (a) To consider the appointment of new Directors through a process involving, where appropriate, professional recruitment consultants and Committee interviews with candidates identified.
 - (b) To ensure the make-up of the Board reflects a breadth of commercial, professional and investment industry experience.

Reporting Procedures

10. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.