

1. Membership

- 1.1. Members of the Committee shall be appointed by the Board and shall be made up of at least 3 members, the majority of whom should be independent non-executive Directors.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3. Appointments to the Committee shall be for such duration as the Board shall, at its sole discretion, decide provided that the majority of the Committee members remain independent.
- 1.4. 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. 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 such other person as the Committee shall decide shall act as the Secretary to the Committee.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two, both of whom shall 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 as required and at least twice per annum.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.
- 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 no later than three days before the date of the meeting. Supporting papers shall be sent to Committee members, 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.

7. Annual General Meeting

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

8. Duties

- 8.1 The Committee shall, with respect to the board of FBD Holdings plc (the "Board"):

- 8.1.1 regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- 8.1.2 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 companies, and what skills and expertise are therefore needed 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 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 consider candidates from a wide range of backgrounds; and
 - 8.1.4.2 consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- 8.1.5 for the appointment of a 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 any appointment and any changes to a chairman's commitments should be reported to the Board as they arise;
- 8.1.6 keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 8.1.7 keep up to date and fully informed about strategic issues and commercial changes affecting the companies and the markets in which they operate;

9.3. The Committee shall make a statement in the annual reports 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 at maximum effectiveness and recommend any changes it considers necessary to the Boards for approval.

11. Authority

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

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

Approved by the Board of FBD Holdings plc on 15 January 2015