

ZOTEFOAMS plc

NOMINATIONS COMMITTEE

TERMS OF REFERENCE

The Board has resolved to establish a Committee of the Board know as the Nominations Committee.

1. Membership

1. The Committee shall comprise a Chairman and at least two other members, each of whom shall be appointed by the Board for a period of up to three years, which may be extended for further three year periods by the Board, provided the Director still meets the criteria for membership of the Committee.
2. The majority of the members shall be independent Non-Executive Directors
3. The Chairman of the Committee shall be either the Company Chairman or another Non-Executive Director. Where the Committee considers the succession of the Company Chairman, the Company Chairman shall not chair the meeting.
4. The Company Secretary or his nominee shall act as the secretary of the Committee.

2. Quorum

The quorum shall be at least two independent Non-Executive Directors.

3. Attendance at Meetings

The Committee also has the power to request the attendance, for all or part of any meeting, of any Director or member of management as may be determined appropriate by the Chairman of the Committee.

4. Frequency and Notice of Meetings

The Committee shall meet at such times as the Chairman of the Committee shall require, which will normally be at least once per annum. A meeting of the Committee may be called by any member of the Committee. Notice of the meeting shall be given to all members of the Committee at least five days prior to the meeting unless shorter notice is unanimously agreed.

5. Minutes

Draft minutes shall be circulated promptly to all members of the Committee and, once approved, shall be circulated to all other members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so.

6. Annual General Meeting

The Committee Chairman should attend the Annual General Meeting to answer any questions on the Committee's activities.

7. Duties

The Committee shall:

1. Review regularly the Board structure, size and composition (including the skills, knowledge, experience and diversity) and make recommendations to the Board with regard to any changes.
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 Company, and the skills and expertise needed on the Board in the future.
3. 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.
4. Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
5. Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
6. Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
7. For the appointment of the Company 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 appointment and any changes to the Chairman's commitments should be reported to the Board as they arise.
8. Prior to the appointment of a Director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.
9. 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.
10. Review the results of the Board performance evaluation process that relate to the composition of the Board.
11. Review annually the time required from Non-Executive Directors. Performance evaluation should be used to assess whether the Non-Executive Directors are spending sufficient time to fulfil their duties.
12. Review, at least annually, conflict of interest authorisations granted to Board members.
13. Work and liaise as necessary with all other Board Committees.

The Committee shall also make recommendations to the Board concerning:

1. Formulating plans for succession for both Executive and Non-Executive Directors and in particular for the key roles of Chairman and Managing Director.
2. Suitable candidates for the role of Senior Independent Director.
3. Membership of the Audit and Remuneration Committees, and any other Board Committees as appropriate, in consultation with the chairman of those Committees.
4. The re-appointment of any Non-Executive Director 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 knowledge, skills and experience required.

5. The re-election by shareholders of Directors at the Annual General Meeting, if considered applicable by the Committee, under annual re-election provisions of the UK Corporate Governance Code, or the retirement by rotation provisions in the Company's Articles of Association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to Non-Executive Directors being re-elected for terms beyond six years of service).
6. Any matter relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the company subject to the provisions of the law and their service contract.
7. The appointment of any Director to executive or other office.

8. Reporting responsibilities

1. The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
2. The Committee shall make whatever recommendations to the Board it considers appropriate on any area within its remit where action or improvement may be required.
3. The Committee shall produce a report to be included in the Company's Annual Report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the Annual Report and a statement made as to whether it has any other connection with the Company.
4. The above-mentioned report should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it may have set for implementing the policy, and progress on achieving the objectives.

9. Other matters

The Committee shall:

1. Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
2. Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
3. Give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing Rules and any other applicable rules, as appropriate.
4. Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

9. Other matters

The Committee shall have the power to employ the services of such advisers, at the Company's expense, as it considers necessary to fulfil its responsibilities.

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