

CLINIGEN GROUP PLC
THE NOMINATION COMMITTEE

TERMS OF REFERENCE

(ADOPTED BY THE BOARD ON 18 SEPTEMBER 2012)

1 Membership

- 1.1 Members of the Nomination Committee shall be appointed by the board and shall be made up of at least three members. All of them shall be directors of the company and the majority of them shall, if practicable, be "independent" non-executive directors for the purposes of the UK Corporate Governance Code.
- 1.2 Only members of the Nomination Committee have the right to attend Nomination Committee meetings. However, other directors and other individuals (including representatives of external advisers) may be invited to attend for all or part of any meeting, as and when appropriate in the opinion of the Nomination Committee's chairman or the majority of its members.
- 1.3 Appointments to the Nomination Committee shall be for a period of up to three years (subject to the election and re-election provisions in the company's constitution and in the UK Corporate Governance Code), which may be extended for further periods of up to three years each, provided the director concerned still satisfies the criteria (were he to be a new member) for appointment to the Nomination Committee.
- 1.4 The board shall appoint the Nomination Committee chairman who should be either the chairman of the board or an independent non-executive director. In the absence of the Nomination Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the board. The chairman of the board shall not chair the Nomination Committee when it is dealing with the matter of succession to the chairmanship.

2 Secretary

A person selected for the task by the Nomination Committee shall act as the secretary of the Nomination Committee.

3 Quorum

The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Nomination 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 Nomination Committee.

4 Frequency of meetings

The Nomination Committee shall meet at such times as the chairman of the Nomination Committee shall require.

5 Notice of meetings

- 5.1 Meetings of the Nomination Committee shall be called by the secretary of the Nomination Committee at the request of the Nomination Committee chairman.
- 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 Nomination Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Nomination Committee members and to other attendees as appropriate, at the same time.

6 Minutes of meetings

- 6.1 The secretary shall minute the proceedings and decisions of all Nomination Committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of the Nomination Committee meetings shall be circulated promptly to all members of the Nomination Committee. Once approved, minutes should be circulated, to all other members of the board, other than where it would be inappropriate to do so.

7 Annual General Meeting

The chairman of the Nomination Committee should attend the annual general meeting to answer any shareholder questions on the Nomination Committee's activities.

8 Duties

The Nomination Committee should carry out the duties below for the company, major subsidiary undertakings and the group as a whole, as appropriate.

- 8.1 The Nomination Committee shall:
- (a) regularly review the structure, size and composition (including the skills, knowledge, experience, diversity and independence) of the board and make recommendations to the board with regard to any changes;
 - (b) give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the need to ensure progressive refreshing of the board, the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future;
 - (c) be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise;
 - (d) before any appointment is made by the board, evaluate the balance of skills, knowledge, experience and independence 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:
 - (i) use open advertising or the services of external advisers to facilitate the search;

- (ii) consider candidates from a wide range of backgrounds;
- (iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board (including gender), taking care that appointees have sufficient time available to allocate to the position;
- (e) ensure that each proposed appointee to the board is required to disclose any business or other interests which he has which could result in a conflict of interest for him as a member of the board;
- (f) prepare, for the appointment of a chairman, a job specification, including the time commitment expected and require that a proposed chairman's other significant commitments be disclosed to the board before appointment;
- (g) 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;
- (h) keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- (i) review annually the time required from non-executive directors and evaluate annually whether each non-executive director is spending sufficient time to fulfil his duties;
- (j) review the results of the board performance evaluation process that relate to the composition of the board; and
- (k) 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.

8.2 The Nomination Committee shall also make recommendations to the board concerning:

- (a) formulating plans for succession for both executive and non-executive directors;
- (b) membership of the Audit Committee and Remuneration Committee and any other board committees as appropriate, in consultation with the chairmen of those committees;
- (c) the re-appointment of any non-executive director at the conclusion of his specified term of office having given due regard to his performance and ability to continue to contribute to the board in the light of the knowledge, skills, experience and independence required;
- (d) the election and re-election by shareholders of any director under the company's articles of association or under the UK Corporate Governance Code, having due regard to his performance and ability to continue to contribute to the board in the light of the knowledge, skills, experience and independence required and the need for progressive refreshing of the board;

- (e) any matters 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; and
- (f) the proposed appointment of any director to an executive position or to any office with any group undertaking.

9 Reporting responsibilities

- 9.1 The Nomination Committee chairman shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Nomination Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Nomination 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.

10 Other

The Nomination Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- (b) 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;
- (c) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the AIM Rules for Companies, as appropriate;
- (d) 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.

11 Authority

The Nomination Committee is authorised by the board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.