

CHEMRING GROUP PLC

Terms of Reference - Nomination Committee

1. Constitution

- 1.1 The Board has resolved to establish a Committee of the Board to be known as the Nomination Committee.

2. Membership

- 2.1. Members of the Committee shall be appointed by the Board. The Committee shall be made up of least three members, the majority of whom shall be independent non-executive directors.
- 2.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Group Chief Executive and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.3. 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 themselves 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.

3. Secretary

- 3.1. The Company Secretary shall act as the Secretary of the Committee.

4. Quorum

- 4.1. The quorum necessary for the transaction of business shall be two members, both of whom must 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.

5. Frequency of Meetings

- 5.1. The Committee shall meet as deemed necessary by the Board but at least once a year.

6. Notice of Meetings

- 6.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.
- 6.2. 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, any other person required to attend and all other non-executive directors, no later than three days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

7. Minutes of Meetings

- 7.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

8. Annual General Meeting

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

9. Duties

- 9.1. The Committee shall 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.
- 9.2. The Committee shall also:
 - 9.2.1. review at least once a year the size and composition of the Board and its Committees to ensure that non-executive directors comprise not less than one third of the Board and that the majority of non-executive directors are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment;
 - 9.2.2. identify vacancies on the Board (either to replace a departing director or appoint an additional director), develop candidate specifications and then seek to identify suitable individuals with an appropriate blend of skills and experience and make recommendations to the Board;
 - 9.2.3. make recommendations to the Board concerning appointment periods (including extensions) for non-executive directors including a requirement that all directors submit themselves for re-election at least every three years;
 - 9.2.4. obtain such information as it considers appropriate from either within or outside the Company;
 - 9.2.5. consult those directors who are not members of the Committee, as appropriate;
 - 9.2.6. obtain outside legal or other independent professional advice, secure attendance of outsiders with relevant experience and expertise and engage consultants if considered necessary;
 - 9.2.7. give full consideration to succession planning ensuring that the processes and plans are in place for both Board and senior appointments;
 - 9.2.8. review annually the time required to fulfil the role of the Chairman and non-executive director, and undertake an annual performance evaluation to ensure that all members of the Board have devoted sufficient time to their duties;
 - 9.2.9. ensure on appointment that a candidate has sufficient time to undertake the role and review other significant commitments;

- 9.2.10. ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment detailing the role and time commitments and proposing an induction plan produced in conjunction with the Chairman;
 - 9.2.11. make recommendations as to appropriate training which any director should receive (i) on appointment to the Board if such appointment is the first occasion on which the director has been appointed to the board of a listed company and (ii) thereafter as necessary;
 - 9.2.12. at least once a year review any training provided to directors.
- 9.3. The Chairman of the Nomination Committee shall attend the Company's Annual General Meeting to answer questions.

10. Reporting Responsibilities

- 10.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

11. Authority

- 11.1. The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 11.2. The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

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