

Bellway p.l.c.

Nomination Committee Terms of Reference

Constitution

1. The Board has established a committee of the Board known as the Nomination Committee, being a permanent committee of the Board.

Membership

2. The Committee has been appointed by the Board and shall be made up of at least three members. The majority of the members should be independent Non-Executive Directors.
3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive may be invited to attend for all or part of any meeting, as and when appropriate.
4. The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

Secretary

5. The Company Secretary shall act as the Secretary of the Committee.

Meetings

6. The quorum necessary for the transaction of business shall be two in number, both of whom must be independent non-executive directors.
7. The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require.

Voting

8. Decisions of the Committee will be made by a majority vote. In the event of an equality of votes, the Chairman shall have a second or casting vote.

Annual General Meeting

9. The Chairman shall attend the Annual General Meeting and shall answer questions, through the Chairman of the Board, on the Committee's activities and responsibilities.

Responsibilities

10. The Committee shall:

- (a) regularly review the structure, size and composition (including the skills, knowledge and experience) 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 challenges and opportunities facing the company, and what skills and expertise are therefore 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 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 should:
 - i. consider candidates from a wide range of backgrounds; and
 - ii. consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
 - iii. use open advertising or the services of external advisers to facilitate the search for a Chairman or a non-executive director.
- (e) 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;
- (f) review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and
- (g) 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.

11. The Committee shall also make recommendations to the Board concerning:
- (a) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive (but see (f) below);
 - (b) 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 the knowledge, skills and experience required;
 - (c) the continuation (or not) in service of any director who has reached the age of 70;
 - (d) the re-election by shareholders of any director under 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;
 - (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 appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full board.

Reporting Responsibilities

12. The Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
13. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where it considers action or improvement is needed.
14. The Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

Other

15. 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 Board for approval.

Authority

16. The Committee is authorised to seek any information it requires from any employee of the company in order to perform its duties.
17. 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.