

NESTOR HEALTHCARE GROUP PLC

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD ADOPTED ON 28 JANUARY 1999 (AND UPDATED ON 26th FEBRUARY 2004 AND 10th APRIL 2008)

1. Objective

To comply with Rules of the UK Listing Authority and the Combined Code on Corporate Governance regarding the consideration and appointment of new directors.

2. Membership

- (i) The Nomination Committee shall be appointed by the Board from time to time and shall comprise a Chairman, the Chief Executive and at least three independent non-executive directors.
- (ii) The Chairman shall be the Chairman of the Company, except that whenever the Committee is dealing with the appointment of a successor for himself, the Chairman shall be such other member of the Committee who is also an independent non-executive director as the Board shall direct. At the date of adoption of these terms of reference, the Chairman shall be John Rennocks and its other members shall be Roger Dye and Sir Andrew Foster.
- (iii) The quorum shall be three members at least two 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.

3. Attendance

The Company Secretary or his/her nominee shall be the Secretary of the Nomination Committee.

4. Frequency

The Nomination Committee shall meet not less than once a year and thereafter on an ad hoc basis as the Chairman shall consider is necessary to fulfil its responsibilities and meet its objective.

5. Notice of Meetings

- (i) Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman.

- (ii) Unless otherwise agreed, notice of each meeting confirming the venue, the time and date of the meeting, together with an agenda of business to be transacted, shall be sent to each member of the Committee no fewer than three working days prior to the date of the meeting.

6. Responsibilities

The Committee shall:

- (i) regularly review the structure, size and composition of the Board and make recommendations to the Board as to any adjustments thereto that are deemed necessary;
- (ii) prepare a description of the role and capabilities required for a particular appointment;
- (iii) be responsible for identifying and nominating for the Board's approval candidates to fill Board vacancies as and when they arise;
- (iv) satisfy itself in respect of the Board's duties relating to succession planning that the processes and plans are in place for both Board and senior management appointments;
- (v) assess and articulate the time commitment required to fulfil the role of Chairman, senior non-independent director 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;
- (vi) ensure on appointment that a candidate has sufficient time to devote to the role and review his commitments, ensuring that if he is an executive of another company, this will be his sole non-executive appointment;
- (vii) ensure that the Secretary on behalf of the Board writes to the appointee, detailing the role and time commitment required of him and proposing an induction plan produced in conjunction with the Chairman.

It shall also make recommendations to the Board:

- (viii) relating to the Chairman's tenure, having assessed every three years whether the present incumbent should continue in post, having regard to the needs of continuity versus freshness of approach;
- (ix) relating to the re-appointment of any non-executive director at the conclusion of his specified term of office, especially when he has served six years on the Board;
- (x) relating to the tenure of any director who has reached the age of 70;

- (xi) concerning any relevant matters relating to the continuation in office as a director of any director at any time;
- (xii) concerning 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:
 - a. all of the non-executive directors regarding the position of Chief Executive;
 - b. all of the directors regarding the position of Chairman;
- (xiii) detailing items that should be published in the Company's Annual Report relating to the activities of the Committee;
- (xiv) with regard to the membership and chairmanship of the Audit Committee.

7. Powers

- (i) The Committee shall have the power to employ the services of such advisers as it deems necessary to fulfil its responsibilities;
- (ii) The Committee is authorised in fulfilling its duties to seek any information it requires from any employee of the Company;
- (iii) 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.

8. Minutes of Meetings

The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

Minutes of Committee meetings shall be circulated to all members of the Committee and made available on request to other members of the Board.

9. Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting of the Company and shall respond to any shareholders questions relating to the Committee's practices.