

Nomination Committee

Responsibilities

The Nomination Committee's main focus is on strengthening, balancing and understanding the range of skills, experience and diversity of the Board, its Committees and key roles below Board level.

The full terms of reference of the Committee are available at http://corporate.spirent.com/Governance/Board_Committees or from the Company Secretary at the registered office.

Composition of the Committee

At the date of this Report, the Nomination Committee comprises the Company Chairman, who also acts as Committee Chairman, and four independent Non-executive Directors.

Meetings and attendance

The Committee meets at least two times each year and at other times as necessary. During 2013, three meetings were held, with individual members' attendance as follows:

	Number of meetings held	Number of meetings attended
Alex Walker (Chairman)	3	3
Ian Brindle ¹	3	2
Duncan Lewis	3	3
Tom Maxwell	3	3
Sue Swenson	3	3

Note

- 1 Mr Brindle was unable to attend an *ad hoc* Committee meeting as it conflicted with a meeting already in his diary for another listed company. Mr Brindle received all papers relating to the meeting and had the opportunity to discuss issues arising direct with the Chairman. In this instance, he also appointed Alex Walker as his proxy for the duration of the meeting.

Committee activity during the period

The Committee considered and made recommendations to the Board in respect of:

- the appointment of Eric Hutchinson as Chief Executive Officer;
- the appointment of Rachel Whiting as Chief Financial Officer and to the Board;
- the appointment of senior executives resulting from the Group's internal reorganisation;
- matters relating to succession planning in the light of the tenure of current non-executive directors; and
- the results of the evaluation of the Board, its Committees and the directors, including the review of the continued independent status of the non-executive directors.

Appointment of directors

There is a formal, rigorous and transparent procedure for the appointment of new directors to the Board under which the Committee interviews suitable candidates who are proposed either by existing Board members or by an executive search firm. The search for candidates is conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity. When the Committee has found a suitable candidate, the Committee proposes the appointment to the whole Board, which retains responsibility for all such appointments.

Careful consideration is given to ensure that proposed appointees for non-executive roles have enough time available to devote to the role

and that the balance of skills, knowledge and experience on the Board is maintained. When discussions relate to the appointment of the Company Chairman, the Senior Independent Non-executive Director chairs the Committee.

On 3 September 2013, when Bill Burns stepped down as Chief Executive Officer, the Nomination Committee considered the skills and experience of the Company's Chief Financial Officer, Eric Hutchinson, in particular his knowledge of the Company and its operations, and unanimously recommended to the Board his appointment as Chief Executive Officer.

After a period of adjustment and internal reorganisation, the Committee reviewed the role of Chief Financial Officer and generated a set of criteria upon which to base recruitment. As an internal candidate, Rachel Whiting was already well-known to the Board and Committee, however, in order to validate her skills and experience against the criteria, the Committee appointed Spencer Stuart to carry out a benchmarking process on her suitability for the role. On receiving a formal report substantiating her suitability for the role of Chief Financial Officer, the Committee was pleased to unanimously recommend her appointment as Chief Financial Officer and to the Board. Spencer Stuart has no other connection with Company.

Following the internal reorganisation undertaken by the Chief Executive Officer in the second half of 2013, the Committee will be developing an updated succession plan in 2014 to take account of new roles and reporting lines.

Diversity

The Committee and, indeed, the Board, recognises the benefits of having diversity across all areas of the Group and believes that this contributes to the Company's strategic advantage. Neither the Committee nor the Board sets specific targets or objectives for diversity. However, when considering the optimum composition of the Board, the benefits of a diverse Board are appropriately reviewed and balanced, where possible, including in terms of differences in skills, industry experience, business model experiences, gender, race, disability, age, nationality, background and other contributions that individuals may bring. The Committee continues to focus on encouraging diverse skill sets, capabilities and experience, recognising that directors from different geographical and cultural backgrounds may enhance the performance of the Board.

When identifying suitable candidates, the Committee will seek candidates from a range of backgrounds, with the final decision being based on merit over objective criteria.

With the appointment of Rachel Whiting to the Board on 1 February 2014, women currently represent 29% of our Board; further details of the gender diversity within the Company can be found in the "Our Employees" section on pages 36 to 37 of this Annual Report.

Committee performance evaluation

Having reviewed the results of the Board's and the Committee's performance evaluations, the Committee has confirmed to the Board that the present Board and its Committees continue to operate effectively and that all of the non-executive directors remained independent in accordance with the Code and should stand for re-election at the 2014 AGM.