

Investment Committee Terms of Reference

This version was reviewed and approved by the Board on 2 March 2011

1. Committee establishment

1.1 The Company's Investment Committee ("the Committee") was established, with these Terms of Reference, by resolution of the Company's Board under Article 42 of the Company's Articles of Association on [date].

1.2 The version date above if not that date, is the subsequent date of the latest amending Board resolution.

2. Committee primary functions

The Committee has the primary function of oversight of the Company's investment portfolio on behalf of the Board. In particular, but not exclusively, the Committee shall carry out the following activities:

2.1 Propose recommendations to the Board on investment policy and strategy;

2.2 Monitor the Company's investments to assess the appropriateness of the investment strategy, and recommend changes to the Board as appropriate;

2.3 Report to the Board at regular intervals on investment performance in comparison to relevant benchmarks as the Board may select (either directly or via investment experts);

2.4 Report on areas of risk within the investment strategy;

2.5 Ensure that investments are made in accordance with the strategy and related asset allocation limits;

2.6 Consider the appointment of the external Investment Managers and associated investment fees;

2.7 Monitor investment performance including the performance of external Investment Managers, to ensure that returns are within acceptable limits;

2.8 Consider and if appropriate approve any specific investments in excess of asset allocation limits, subject to scope agreed with the Board, and prohibiting other classes of investment (on ethical grounds for example);

2.9 Monitor the distribution of the Company's cash balances and propose recommendations to the Board in relation to treasury policy;

2.10 Generally, in performing its functions, to promote appropriate credit management, liquidity and investment returns, in addition to the public benefit objects and best interests of Nominet.

2.11 Membership

2.12 The Board shall appoint members of the Committee, which shall comprise at least three directors. The provisions of Article 42 generally allowing a Nominet committee established by the Board to co-opt further members shall apply to the Investment Committee.

2.13 Appointments to the Committee shall be for a period of up to three years and may be renewed.

2.14 A person shall cease to be a member of the Committee:

2.14.1 at the end of his/her period of appointment (subject to reappointment);

2.14.2 on ceasing to be a director;

2.14.3 through a resolution of the Board terminating his/her appointment;

2.14.4 on written notice of resignation from the appointment to the Company Secretary.

2.15 The Board may appoint the chairman of the Committee. In the absence of such a Board appointment, or the appointed chairman at a quorate meeting of the Committee, the Committee shall elect a chairman from among its members.

2.16 The Board may appoint a Committee secretary, in particular for the purpose of maintaining proper minutes of the Committee. In the absence of such a Board appointment, or the appointed Committee secretary at a quorate meeting of the Committee, the Committee shall arrange for appropriate minutes to be kept by one of its members.

3. Committee procedures

3.1 The quorum for business of the Committee to be undertaken shall be two. Any business of the Committee may be undertaken at a quorate Committee meeting. The Committee shall have the power to request any member of Senior Management to attend its meetings.

3.2 The Committee shall meet at least twice a year and otherwise as directed by the Board, or when otherwise summoned by the Committee chairman in his or her discretion.

3.3 Meetings shall generally be summoned by the Committee secretary and should be summoned on at least five working days written notice, including the agenda and relevant papers.

3.4 Each Committee member shall provide an e-mail address which shall be the principal communication address for written notices and communications relevant to the Committee.

3.5 Minutes of the Committee shall include names of all those present and in attendance at Committee meetings, all decisions made and a reasonable record of key deliberations.

3.6 Draft minutes of a Committee meeting shall be circulated promptly to all Committee members with a reasonable period for comments to be made. Once that period has elapsed the Committee chairman shall take responsibility for finalising and signing the minutes.

4. Committee reporting obligations

4.1 Once finalised Committee minutes shall be submitted to the Board.

4.2 The Committee shall make such reports and recommendations to the Board as it considers appropriate in accordance with its duties and responsibilities.

4.3 The Committee chairman shall, unless otherwise instructed, be prepared to report formally to each Board meeting and the Company's annual general meeting on the proceedings of the Committee.

4.4 The Committee shall approve an Investment Committee statement for publication in each annual report of the Company, relating to its activities.