

Nomination Committee Terms of Reference

Membership

1. The committee and its chairman shall be appointed by the board. The committee shall consist of all the independent non-executive directors and the chairman of the company, who shall be chairman of the committee. A quorum shall be three including the chairman. The senior independent director shall chair the committee when it is dealing with the matter of succession to the chairmanship.

Attendance at meetings

2. The CEO, the human resources director and other individuals shall attend meetings if invited by the committee.

3. The company secretary shall be secretary of the committee.

Frequency of meetings

4. Meetings shall be held not less than twice a year.

Notice of meetings

5. The agenda and copies of all committee papers shall be sent to all members of the committee, and to other attendees as appropriate, normally at least five days before the meeting.

Authority

6. The committee is authorised by the board to:

- (a) seek any information it requires from any employee of the company in order to perform its duties;
- (b) obtain, at the company's expense, outside legal or other professional advice in connection with its duties; and such advisors may attend meetings as necessary;
- (c) incur any expenditure it considers appropriate in connection with the above (the company to make available the necessary funds); and
- (d) delegate its powers in relation to particular matters to a sub-committee, determine its membership, terms of reference and the extent of its delegated powers.

Responsibilities

7. The responsibilities of the committee shall be to:

- (a) be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise, based on merit and objective criteria, and considering candidates from a wide range of backgrounds which bear relevance to Diageo's business requirements. In particular to:
 - (i) give full consideration to succession planning 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;
 - (ii) keep under review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and make recommendations to the board with regard to any changes;
 - (iii) 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;

(iv) 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; and

(v) review on appointment and annually thereafter the time required from non-executive directors and the performance of the non-executive directors to assess whether they are spending enough time to fulfil their duties;

(b) so far as is practicable, arrange for all directors to have the opportunity to meet potential external appointees before their appointment is formally proposed at a board meeting and ensure that any possible conflict of interest issues in respect of external candidates are fully addressed; and

(c) 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.

8. The committee shall also make recommendations to the board concerning:

(a) suitable candidates for the role of senior independent director;

(b) membership of the audit and remuneration committees, in consultation with the chairmen of those committees;

(c) the re-appointment of any non-executive director at the conclusion of their specified term of office;

(d) the re-election by shareholders of any director under the 'retirement by rotation' provisions in the company's articles of association;

(e) any matters relating to the continuation in office of any director at any time; and

(f) the appointment of any director to executive or other office other than to the positions of chairman and CEO, the recommendation for which would be considered at a meeting of the full board, and

(g) any other matter that the board deems appropriate.

Reporting Procedures

9. The secretary shall circulate the minutes of meetings of the committee to all members of the board except where the committee determines it to be inappropriate to do so for reasons of confidentiality.

10. The committee's activities and the process used to make appointments shall be disclosed in the annual report.

11. The chairman of the committee shall attend the AGM prepared to respond to any questions which may be raised by shareholders on matters within the committee's area of responsibility.

12. The committee members shall conduct an annual review of the performance of the committee and a periodic review of these terms of reference and make recommendations to the board.