

NEXT PLC (the "Company")

Nomination Committee Terms of Reference

1. Constitution

The Board has resolved to establish a committee of the Board to be known as the "Nomination Committee".

2. Membership

2.1 The Nomination Committee shall comprise of the Chairman and not less than three non-executive Directors of the Company, each of whom shall be appointed by the Board.

2.2 The Board shall appoint the Chairman of the Nomination Committee, who should be the Chairman of the Company. In the absence of the Nomination Committee Chairman or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

3. Secretary

The secretary of the Company or nominee shall act as the Secretary of the Nomination Committee.

4. Quorum

The quorum for meetings shall be two members. A duly convened meeting of the Nomination 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 Nomination Committee.

5. Meetings

5.1 The Nomination Committee shall meet at such times as the Chairman of the Nomination Committee shall require. Meetings should be organised so that attendance is maximised (e.g. by time-tabling them to coincide with Board meetings).

5.2 A meeting of the Nomination Committee may be called by any member of the Nomination Committee or by the Secretary.

5.3 A member of the Nomination Committee should withdraw when their own appointment or re-election is being considered.

5.4 The Group Chief Executive and any other Director may be invited to attend and speak at Nomination Committee meetings.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all Nomination Committee meetings, as well as keep appropriate records.
- 6.2 Minutes of the Nomination Committee meetings shall be made available to all members of the Nomination Committee. Any Director may, provided that there is no conflict of interests, obtain copies of the Nomination Committee's agenda and minutes.

7. Annual General Meeting

The Chairman of the Nomination Committee shall attend the annual general meeting of the Company and shall be prepared to respond to any shareholder questions on the Nomination Committee's activities.

8. Authority

The Nomination Committee is authorised to obtain independent professional advice on any matters within its terms of reference provided in all such cases that any costs incurred are reasonable and proper.

9. Duties

The Nomination Committee shall:

- 9.1 review the Board structure, size, composition, and succession and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- 9.2 be responsible for identifying and nominating candidates for the approval of the Board to fill Board vacancies as and when they arise;
- 9.3 make recommendations to the Board concerning:
 - 9.3.1 the re-appointment of any non-executive Director by the Board at the conclusion of his or her specified term;
 - 9.3.2 the re-election of any Director by the Shareholders under the retirement by rotation provision in the Company's articles of association; and
 - 9.3.3 any matters relating to the continuation in office as a Director of any Director at any time.

10. Non-Executive Directors

The procedure for the selection, appointment and re-election of non-executive Directors shall be determined in accordance with the above and additionally:

- 10.1 non-executive Directors do not receive a contract of employment but do receive a contract for services.

- 10.2 the letter of appointment will state that the director is expected to devote such time as is necessary for the proper performance of duties including attendance at board meetings.
- 10.3 non-executive Directors shall be appointed initially for a minimum expectation of three years, an anticipation of up to six years and a maximum of nine years or such longer period subject to annual approval by shareholders at each AGM thereafter.

March 2007