

APPENDIX 4

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE TERMS OF REFERENCE

1. CONSTITUTION

The Board has resolved to establish a Committee of the Board to be known as the Corporate Governance and Nominations Committee.

2. ATTENDANCE AND PROCEEDINGS AT MEETINGS

- 2.1. No one other than the Committee Chairman and members is entitled to attend or vote at a meeting of the Committee.
- 2.2. The Committee may invite the Chairman and/or the Chief Executive Officer of the Company or any other person to advise and/or to join a meeting of the Committee when required notwithstanding that they are not members of the Committee. In the course of performing its functions, the Committee may choose to invite such persons, or issue standing invitations, as it deems appropriate for persons to attend its meetings.
- 2.3. Meetings and proceedings of the Committee will be governed by the Company's Articles of Association regulating the meetings and proceedings of Directors.
- 2.4. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be sent to each member of the Committee and any other person required, or invited, to attend not later than 48 hours prior to the date of the meeting, or if later, as soon as is practicable. Failure to provide documents relating to any issue for discussion at the meeting will not preclude discussion about the same, nor any decision relating thereto, at a meeting of the Committee.
- 2.5. In the absence of the Committee Chairman the remaining members present shall elect one of their number to chair the meeting.
- 2.6. In the event that a matter is required to be resolved by a vote of the Committee, any such matter shall be decided by a majority of votes. The Chairman shall not have a casting vote.

3. COMPANY SECRETARY

- 3.1. The Company Secretary shall act as the Secretary of the Committee and shall keep a record of:
 - 3.1.1. the membership of and the dates of any changes to the membership of the Committee; and
 - 3.1.2. any person or firm who provides advice or services to the Committee or materially assists the Committee on matters relating to the Committees activities. The Company Secretary shall keep a record of the nature of any other services provided by that person to the Company during the year.
- 3.2. The Secretary of the Committee shall circulate the minutes of such meetings to the Chairman of the Committee and once agreed to all members of the Board.

4. **FREQUENCY OF MEETINGS**

- 4.1. Meetings shall be held not less than twice a year and at such other times as the Chairman of the Committee or the Chairman of the Board shall require.
- 4.2. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee or the Chairman of the Board.

5. **QUORUM**

The quorum necessary for the transactions of business shall be two members both of whom must be independent non-executive Directors, or where the number of members in attendance is greater than two there must be a majority of independent 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.

6. **AUTHORITY**

- 6.1. The Committee is authorised by the Board at the expense of the Company to investigate any matter within its terms of reference. It is authorised to seek any information it requires from any Director or employee in order to perform its duties, and all employees are directed to co-operate with any requests made by the Committee.
- 6.2. The Committee is authorised by the Board to obtain external professional advice at the expense of the Company and to secure the attendance of third parties with relevant experience and expertise at meetings of the Committee if it considers this necessary. The Committee will notify the Head of Legal and Business Affairs of the Company, prior to obtaining expert legal advice and the Chief Financial Officer prior to obtaining expert financial advice. To the extent that, it is inappropriate to notify such persons, such advice may be sought by a Director following consultation with the Chairman of the Board.

7. **ANNUAL GENERAL MEETING**

The Chairman of the Committee shall be requested to attend the Annual General Meeting to answer questions on the Committee's responsibilities and activities throughout the year.

8. **DUTIES**

- 8.1. The duties of the Committee are:
 - 8.1.1. to identify and nominate, for the approval of the Board, candidates to fill all Board vacancies, as and when they arise;
 - 8.1.2. before an appointment is made by the Board, to appraise the balance of skills, knowledge and experience on the Board, and, in the light of this appraisal prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:

- 8.1.2.1. use open advertising and/or the services of external advisers to facilitate the search;
 - 8.1.2.2. consider candidates from a wide range of backgrounds; and
 - 8.1.2.3. consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position.
- 8.1.3. to review regularly the structure, size and composition (including the skills, knowledge and experience) of the Board and to make recommendations to the Board with regard to any changes to the Board and in relation to any succession planning;
 - 8.1.4. to 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 (to be signed by such director confirming his intention that such commitment will be met), term of office, Committee service and involvement outside Board meetings as well as their duties and liabilities as a Director, including details of the Company's Corporate Governance policy and details of the current Directors & Officers Insurance cover;
 - 8.1.5. to ensure that prior to appointment the other significant commitments of any proposed non-executive director are disclosed to the Board, together with a broad indication of the time involved and ensure any subsequent changes are similarly reported.
 - 8.1.6. to be responsible for monitoring the Company's compliance with applicable Codes and other requirements of Corporate Governance.
- 8.2. The Committee shall, in consultation with the Chairman, make recommendations to the Board concerning:
 - 8.2.1. suitable candidates for the role of senior independent Director;
 - 8.2.2. membership of the Audit and Remuneration Committees, in consultation with the chairmen of those Committees;
 - 8.2.3. the re-appointment of any non-executive Director at the conclusion of his or her specified term of office having given due regard to his or her performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required; and
 - 8.2.4. the re-election by shareholders of any Director under the 'retirement by rotation' provisions, in the Company's Articles of Association, or who is required to be re-elected by shareholders annually, having due regard to his or her performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.

9. **REPORTING PROCEDURES**

- 9.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

- 9.2. The Committee shall make a statement in the annual report about its activities, during the reporting year, the process used to make appointments and explain if external advice or open advertising has not been used.
- 9.3. The Committee members shall conduct an annual review of their work and these terms of reference and make recommendations to the Board.

10. **GENERAL**

Nothing in these Terms of Reference, is intended to, amend, detract from or conflict with the Articles of Association of the Company, and in such event the Articles of Association shall prevail.