

## **Nomination Committee - Terms of Reference**

### **1. Constitution**

The Committee was constituted at a full meeting of the Board held on May 24<sup>th</sup>, 2007 in accordance with the articles of association of the Company.

### **2. Duties and Terms of Reference**

#### **2.1 The Committee shall:**

- (a) regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- (b) give full consideration to succession planning for Directors and other senior executives 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;
- (c) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (d) 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. In identifying suitable candidates the Committee shall:
  - (i) use open advertising or the services of external advisers to facilitate the search;
  - (ii) consider candidates from a wide range of backgrounds; and
  - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- (e) 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;
- (f) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (g) review annually the time required from non-executive Directors. Performance evaluation should be used to assess whether the non-executive Directors are spending enough time to fulfil their duties; and
- (h) 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.

- 2.2 The Committee shall also make recommendations to the Board concerning:
- (a) plans for succession for both executive and non-executive Directors and in particular for the key roles of Chairman and Chief Executive (but see 2.2(g) below);
  - (b) suitable candidates for the role of senior independent Director;
  - (c) an “ever green” list of candidates to ensure the candidates with the required talent and skills can be identified to fulfil planned or unplanned vacancies;
  - (d) membership of the Audit Committee and Remuneration Committee, in consultation with the Chairmen of those committees;
  - (e) the re-appointment of any non-executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - (f) the continuation (or not) in service of any Director who has reached the age of 70;
  - (g) the re-election by shareholders of any Director under the ‘retirement by rotation’ provisions in the Company’s articles of association having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - (h) any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company subject to the provisions of the law and their service contract; and
  - (i) the appointment of any Director to executive or other office other than to the positions of Chairman and Chief Executive Officer.
- 2.3 To consider such other matters as may be requested by the Board.

### **3. Membership**

- 3.1 The members of the Committee shall be appointed by the Board. The majority of the members of the Committee should be independent non-executive Directors. The Board shall appoint the Chairman of the Committee who should be either the Chairman of the Company or an independent non-executive Director. The Chairman of the Company shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
- 3.2 Appointments to the Committee shall be for a period of up to three years (unless he or she resigns, is removed or ceases to be a member of the Company), which may be extended for two further periods of three years each provided the Board so approves.

3.3 Vacancies on the Committee can be filled by appointment by the Board or the Committee provided that any such appointee shall remain a member for the remainder of the term of the member he or she replaced.

3.4 The Committee shall have at least three members.

3.5 At the date of formation of the Committee, it has been agreed that the members of the Committee will be Jack W. Hanks, Gianfranco Castagnola Zuniga and Rex Wharton Canon and the Committee shall be chaired by Jack W. Hanks. A quorum shall be any two independent non-executive Director members of the Committee. The members of the Committee can be varied at any time by a majority resolution of the existing members of the Committee save that the majority of the Committee must remain independent and non-executive Directors at all times.

#### **4. Voting Arrangements**

4.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.

4.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

4.3 Save where he has a personal interest, the Chairman will have a casting vote.

#### **5. Attendance at Meetings**

5.1 The Committee will meet at least two times a year. The Committee may meet at other times during the year as agreed between the members of the Committee.

5.2 Other Directors and external advisers may be invited to attend all or part of any meeting as and when appropriate.

5.3 The Company Secretary shall be the secretary of the Committee.

#### **6. Notice of Meetings**

6.1 Meetings of the Committee shall be summoned by the Company Secretary at the request of any of its members or the Chairman of the Committee.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than 3 days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee (as appropriate) at the same time.

#### **7. Authority**

7.1 The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to have unrestricted access to the Company's external auditors and to obtain, at the Company's expense, professional advice on any matter

within its terms of reference. The Committee is authorised to seek any information it requires from any employee or Director, and all such employees or Directors will be directed to co-operate with any request made by the Committee.

- 7.2 The Committee shall have the authority to retain at the Company's expense any search or recruiting firm to assist in identifying director candidates and to retain outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms.
- 7.3 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.
- 7.4 Should the Committee carry out an activity which is outside of its terms of reference, provided the Committee can establish that such activity was in the best interest of the Company, such activity can be ratified by the Board.

## **8. Reporting**

Draft minutes of each meeting will be circulated to all members of the Committee. On finalisation and signature by the Chairman, the minutes of each meeting will be submitted to the Board as a formal record of the decisions of the Committee on behalf of the Board.

## **9. General Matters**

- 9.1 Finalised minutes of the meetings of the Committee will be circulated to the Board as part of the Board papers for each full meeting of the Board.
- 9.2 The Chairman of the Committee should make himself available at each Annual General Meeting of the Company to answer questions concerning the Committee's work during the preceding year.
- 9.3 The recommendations of the Committee minutes must be approved by the Board before they can be implemented.
- 9.4 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 9.5 It is the Board's intention that these terms of reference shall reflect at all times all legislative and regulatory requirements applicable to the Committee. Accordingly, these terms of reference shall be deemed to have been updated to reflect any amendments to such legislative and regulatory requirements and shall be formally amended at least annually to reflect such amendments.