

TERMS OF REFERENCE NOMINATION AND REMUNERATION COMMITTEE

Composition

1. The Nomination and Remuneration Committee (“the Committee”) shall be appointed among the Board of Directors (“the Board”), and comprise solely Non- Executive Directors and a majority of whom shall be Independent Directors.

Chairman

1. The Chairman, who shall be appointed by the Board, shall be an Independent Director.

Secretary

The Company Secretary shall be the Secretary of the Committee. The Secretary shall be responsible for keeping the minutes of the Committee’s meetings and circulating them to the Committee members and to the other members of the Board.

Duties and Responsibilities

- 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;
- 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;
- Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- Before making an appointment, 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.
- 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 market place;
- 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;
- To review the performance matrix of each member of the Board, Chief Executive and key management personnel as may be determined by the Committee from time to time;

- Determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman, the Executive Directors, the Company Secretary and such other members of the executive management as it is designated to consider. The remuneration of Non-Executive Directors shall be a matter for the Chairman and the Executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration;
- In determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- Determine the policy for, and scope of, pension arrangements for each Executive Director and other Senior Executive, if applicable;
- Ensure the contractual terms on termination, and any payment made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
- Within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, determine the total individual remuneration package of each Executive Director and other Senior Executives including bonuses, incentive payments and share options or other share awards;
- Review and note annually the remuneration trends across the Company or Group;
- Oversee any major changes in employee benefits structures throughout the Company or Group;
- Agree the policy for authorizing claims for expenses from the Chief Executive and Chairman;
- Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee: and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfill its obligations;
- Shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed; and
- 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.

The Committee will also make recommendations to the Board concerning:

- Plans for succession for both Executive and Non-Executive Directors and in particular for the key roles of Chairman and Chief Executive;
- Suitable candidates for the role of Senior Independent Director;

- Membership of the respective Committees, in consultation with the chairman of those committees;
- 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;
- The re-election by shareholders of any director under the 'retirement by rotation' provisions in the Company's Article 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;
- 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;
- The appointment of any Director to Executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full board;
- Assessing the effectiveness of the Board and the contribution of individual directors;
- Shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- Shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used; and
- 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.

Authority

- The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties;
- 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; and
- All recommendations of the Committee are subject to the endorsement of the Board.

The Terms of Reference of the Committee is made in accordance with the resolution of the Board of Directors dated XXX.