

# Terms of Reference – Nomination Committee

*(approved by the Board 25 March 2010)*

## 1. Composition

The first Committee shall comprise of one of the independent directors of the BoD who shall be appointed by the BoD. This independent director shall appoint up to three additional individuals as members of the Committee among the 20 largest shareholders. All members shall be independent of the executive management and at least one member must be independent of the BoD. Furthermore, the Committee should never comprise of more than two members of the current BoD. The chairman of the BoD shall not be part of the Committee. The members of the Committee should be selected to take into account the interests of shareholders in general.

The independent director appointed by the BoD shall act as Committee Chair.

The members of the nomination committee are elected for a period of two years.

The composition of the first Committee shall be proposed approved by the Company's AGM in 2010.

For subsequent committees, an appointing structure in line with the Code shall be implemented and later versions of these ToR shall reflect such revised appointing structure.

## 2. Secretary

The Company Secretary shall act as Secretary of the Committee unless the Committee finds it more practical that one of its members act as secretary.

## 3. Quorum

Three members of the Committee must be present to form a quorum. 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.

## 4. Meetings

The Committee shall meet as often as it deems appropriate and necessary, but at least once annually. The meetings can take place either in form of physical meetings or phone conferences.

The Chairman of the BoD and the CEO shall be invited to attend at least one meeting of the Committee before it submits its final recommendation, but they will not have voting rights.

## 5. Notice of Meetings

Meetings of the Committee shall be convened by the Committee Chair at the request of any member thereof or by the Chairman of the BoD.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any

other person required to attend with a copy to the chairman of the BoD, no less than three working days prior to the date of the meeting.

## 6. Minutes of the Meetings

Minutes shall be taken of the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Minutes shall be signed by the Committee Chair and the Secretary of the meeting.

Minutes of Committee meetings shall be circulated to all members of the Committee and to the chairman of the BoD latest five days after the meeting and made available on request to other members of the BoD.

## 7. Duties and Authorities

The duties of the Committee are to evaluate and submit a recommendation to the AGM on the following matters:

- Nominees for election as members and possibly deputy members of the BoD and the Chair of the BoD;
- Nominees for election as members of the Committee and the Chair of the Committee;
- The proposed remuneration of the BoD and the members of the Committee; and
- Any proposed amendments to the Committee Terms of Reference.

The Committee shall pay particular attention to the following principles when carrying out its work:

- The Committee shall operate in accordance with common accepted principles for good corporate governance.
- The Committee shall in each meeting have access to a register of the Company's shareholders.
- The Committee may adopt minimum qualifications that the Committee believes must be met by prospective nominees to the BoD, qualities or skills that the Committee believes are necessary for one or more of the Company's directors to possess and standards for the overall structure and composition of the Company's BoD.
- The Committee shall consider the size and composition of the BoD and make recommendations to the AGM for changes in the size of the BoD as appropriate.
- The Committee shall entertain appropriate contact and dialogue with shareholders, members of the BoD, the Company's management and external advisors CEO to fully understand the Company's development and challenges.
- The Committee shall take steps to ensure that shareholders have an opportunity to propose candidates for the BoD.
- The Committee shall attach weight to whether the proposed candidates have the necessary qualifications to serve as officers of the Company. In assessing the qualifications of prospective members of the BoD, the Committee shall consider each prospective member's personal and professional integrity, experience, skills, ability and willingness to devote the time and effort

necessary to be an effective board member, and commitment to acting in the best interests of the Company and its shareholders. Consideration shall also be given such that the Board will have an appropriate mix of backgrounds and skills.

- The recommendations must at all times satisfy the requirements relating to the composition of the BoD laid down in applicable legislation and the regulations of any stock exchanges on which the Company's shares are listed and take account of the recommendations relating to the composition of the BoD that follow from the Code, the Company's corporate governance commitments and any other relevant recommendations relating to good corporate governance.
- The Committee shall give emphasis to ensuring reasonable representation in terms of gender and background, and to the independence of members of the BoD in relation to the Company.
- The Committee shall review comparable practice data regarding director compensation in order to make a qualified recommendation to the AGM with respect to the amount and form of such compensation.
- The Committee shall review the current BoD's self-assessment.
- Candidates proposed by the Committee must have confirmed their willingness to take on the office for which they have been proposed.
- The Committee must justify its recommendations and provide relevant information about the candidates. Any dissenting votes must be stated in the recommendation.

## 8. Reporting/Recommendations

The Committee's recommendation to the AGM relating to the election of members and possibly deputy members of the BoD should be available early enough to be sent to the shareholders together with the notice of the meeting of the AGM. The recommendation shall be made public at the same time, so that the shareholders have an opportunity to submit their views on the recommendation to the Committee.

The Committee shall present its recommendation to the present BoD as soon as the recommendation has been completed.

The Committee Chair, or a person authorised by him/her, will present the Committee's recommendations to the AGM and give an account of the Committee's work.

The Committee shall annually review its own performance and present the review for comments to the BoD.

The Committee shall annually review the terms of reference for the Committee and recommend any changes to the AGM for approval.

## 9. Remuneration

The annual general meeting stipulates the remuneration to be paid to the Committee, if any. The Committee's expenses will be covered by the Company.