



**SERINUS**  
ENERGY PLC

**SERINUS ENERGY PLC (the “Company”)**

**TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE**

**Adopted by the Board pursuant to a meeting held on 3 May 2018**

***References to “the Committee” shall mean the Nomination Committee.***

***References to “the Board” shall mean the board of directors of the Company.***

In keeping with the principles of good corporate governance, the Board has established the Committee and adopted the terms of reference (the “**Terms of Reference**”) below for the Committee that comply with the guidelines set out in the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Sized Quoted Companies (the “**QCA Code**”) to the extent deemed appropriate by the Board in light of the Company’s intention to become an AIM Company (as defined within the AIM Rules for Companies (the “**AIM Rules**”) published, from time to time by the London Stock Exchange plc. Pursuant to the Terms of Reference below the Board has established formal, rigorous and transparent procedures for the appointment of new directors to the Board.

The QCA Code requires that companies undertake a process of: (i) reviewing the balance and effectiveness of the Board; as well as (ii) identifying the skills needed by the Board and those individuals who might best provide them. It is the intention of the Committee to recommend only individuals who have sufficient time to undertake the responsibilities and requirements of Board members.

**1. Membership**

- 1.1 The Committee shall be comprised of at least three (3) directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer of the Company (if not already a member of the Committee), and external advisers may be invited to attend all or part of any Committee meeting, as and when appropriate.
- 1.3 The Board, at its organizational meeting held in conjunction with each annual general meeting of shareholders of the Company, shall appoint the members of the Committee for the ensuing year. If the Board shall fail to do so, persons who were members of the Committee immediately preceding the most recent annual meeting of shareholders of the Company, provided they continue to be directors of the Company and remain qualified to serve on the Committee, shall be deemed to be reappointed to the Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. The Board shall use commercially reasonable efforts to ensure that a majority of the members of the Committee are independent directors within the meaning of National Instrument 52-110 *Audit Committees*.



1.4 The Board shall appoint the chairman of the Committee who should be either the Chairman of the Board or an independent non-executive director (the “**Chairman**”). In the absence of the Chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these Terms of Reference to be appointed to that position by the Board. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

## **2. Secretary**

2.1 The Company Secretary (or a nominee appointed by the Company Secretary) shall act as the Secretary of the Committee (the “**Secretary**”).

## **3. Quorum**

3.1 The quorum necessary for the transaction of business by the Committee shall be two (2) members. 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. Voting Arrangements**

4.1 Each member of the Committee shall have one vote which may be cast on matters considered at Committee meetings. Votes can only be cast by members attending a Committee meeting, whether in person or by audio or video conference.

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 on the matter at the Committee meeting.

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

## **5. Frequency of meetings**

5.1 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.

## **6. Notice of meetings**

6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of 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 items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend no later than five (5) working days before the date of the Committee meeting. Supporting papers shall be sent to members of the Committee and to other attendees as appropriate, at the same time.

## **7. Minutes of meetings**

7.1 The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

7.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board, unless a conflict of interest exists or if, in the opinion of the Chairman of the Committee, it would be inappropriate to do so.

7.3 The Secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

## **8. Annual General Meeting**

8.1 The Chairman of the Committee shall attend the Company's Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

## **9. Duties**

9.1 The Committee shall, in conducting all of its duties in accordance with these Terms of Reference, act in a way it considers in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole. In doing so, the Committee must have regard (among other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between the shareholders of the Company.



9.2 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, as well as the skills and expertise that would therefore be 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 any appointment is made by the Board, evaluate the balance of skills, knowledge, diversity 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;
  - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position; and
  - (iv) consider the qualifications and experience of each candidate keeping in mind the needs of the Board, as well as the impact the appointee might have on the Board. To the extent possible, it will seek regional, professional sector and gender representation;
- (e) for the appointment of the Chairman of the Board and the Chief Executive Officer of the Company, the Committee should prepare a job specification, including the time commitment expected. A proposed appointee's other significant commitments should be disclosed to the Board before appointment and any changes to the appointee's commitments should also be reported to the Board as they arise;
- (f) prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- (g) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;



- (h) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (i) review annually the time required from non-executive directors and keep under review the number of external directorships held by each director. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- (j) 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; work and liaise as necessary with other committees of the Board;
- (k) consider such matters as may be requested by the Board;
- (l) consider and, if appropriate, authorise situational conflicts of interest of directors and potential directors;
- (m) keep under review at least annually potential conflicts of interests of directors disclosed to the Company and develop appropriate processes for managing such conflicts if the Committee considers this to be necessary;
- (n) at all times take care to minimise the risk of any conflict of interest within the Committee that might be seen to give rise to an unacceptable influence;
- (o) assist the Chairman of the Board with the implementation of an annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its committees, including consideration of balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, how the Board works together as a unit, and other factors relevant to the Board's effectiveness;

9.3 The Committee shall also make recommendations to the Board concerning:

- (a) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of [Chairman of the Board and the Chief Executive Officer of the Company], the recommendation for which is to be considered at a meeting of the full Board;
- (b) suitable candidates for the role of a senior independent director;
- (c) membership of the Audit and Remuneration Committees, in consultation with the Chairpersons of those committees;



- (d) 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;
- (e) the continuation (or not) in service of any director who has reached the age of 70, if required by the Articles of Association of the Company;
- (f) 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 and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six (6) years);
- (g) 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
- (h) the appointment of any director to executive or other office.

### ***Reporting responsibilities***

- 9.4 The Chairman of the Committee shall report formally to the Board on the Committee's proceedings after each Committee meeting on all matters within its duties and responsibilities.
- 9.5 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.6 The Committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company. The report should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy and progress on achieving objectives.
- 9.7 The Committee shall make available to shareholders these Terms of Reference.

### ***Other***

- 9.8 The Committee shall give due consideration to applicable laws and regulations, including the general duties of directors set out in the provisions of the QCA Code and the requirements of the AIM Rules, as appropriate.



- 9.9 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. The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 9.10 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.

## **10. Authority**

- 10.1 The Committee is authorised to:
- (a) to carry out its duties and any activities within these Terms of Reference;
  - (b) seek any information it requires from any member of the Board and/or any employee of the Company in order to perform its duties, all such employees or directors will be directed to co-operate with any request made by the Committee;
  - (c) obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.