

Anglo Pacific Group plc

Terms of reference of the Nomination committee

The committee will:

- 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 any 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
- 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
- keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates
- 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
- 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

In identifying suitable candidates the committee will:

- use open advertising or the services of external advisers to facilitate the search where appropriate
- consider candidates from a wide range of backgrounds
- consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position.

The committee shall also make recommendations to the board concerning:

- formulating 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 audit and remuneration 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 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
- 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 or other office.

The committee chairman shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities. The committee 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.

The committee is authorised to seek any information it requires from any employee of the company in order to perform its duties and is authorised to obtain, at the company's expense, outside legal or professional advice on any matters within its terms of reference.

Membership and Appointment

The Committee shall consist of not less than three directors appointed by the Board, all of whom shall be independent non-executive directors. At least one member of the Committee shall have significant, recent and relevant financial experience. The Chairman will be appointed by the Board. In the absence of the Chairman or an Appointed Deputy, the Committee shall elect one of the members present to chair the meeting. The Company Secretary or its nominee shall be Secretary of the Committee.

Only members of the committee have the right to attend committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate.