

PHOENIX GLOBAL RESOURCES PLC

NOMINATION COMMITTEE

TERMS OF REFERENCE

Approved by the Board on 14 July 2017 subject to and with effect from Admission (as defined herein)

NOMINATION COMMITTEE - TERMS OF REFERENCE

Note: References to “the Committee” shall mean the Nomination Committee; references to “the Board” shall mean the Board of Directors; references to “the Company” shall mean Phoenix Global Resources plc; references to “the Group” shall mean the Company and its subsidiaries; and references to “the Directors” shall mean the Directors of the Company.

1. Purpose

- 1.1 The primary function of the Committee is to monitor the balance of skills, knowledge, experience, independence and diversity (including gender) of the Board and its Committees, and ensure that there is a formal rigorous and transparent procedure for the appointment of new directors and that there are appropriate procedures in place for the nomination, selection, training and evaluation of Directors and for succession plans of the Executive Directors and senior management.
- 1.2 These Terms of Reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee having regard to the UK Corporate Governance Code (“the Code”) and to assist the Committee in achieving best practice in corporate governance for the Company and the Group as a whole.

2. Membership

- 2.1 The Committee is established as a Committee of the Board and shall consist of at least three Non-executive Directors, the majority of whom shall be independent Non-executive Directors. Members of the Committee shall be appointed by the Board in consultation with the Committee Chairman.
- 2.2 The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent Non-executive Director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship. In addition, other members of the Committee shall not participate in discussions relating to the succession to the chairmanship if they are under consideration as potential successors to the Committee Chairman. In such circumstances members of the Committee may nominate alternate members from among the independent Non-executive Directors in order to ensure that the Committee remains quorate.
- 2.3 Appointments to the Committee shall be for an initial period of up to three years extendable by no more than two additional three-year periods, provided the required majority of members being independent Non-Executive Directors continues.
- 2.4 The Board shall regularly review the membership of the Nomination Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals.

3. Secretary

- 3.1 The Company Secretary, or their nominee, shall act as the Secretary of the Committee (the "Secretary").

4. Proceedings

- 4.1 Only members of the Committee have the right to be present or vote at Committee meetings. However, other individuals such as the Chief Executive Officer, the Group HR Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

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- 4.2 Meetings and proceedings of the Committee shall be governed by the provisions of the Articles of Association regulating the meetings and proceedings of the Board. The Committee shall meet at least twice a year and otherwise as required. Meetings of the Committee shall be convened by the Secretary at the request of the Committee Chairman or any other member of the Committee. Meetings of the Committee may be conducted when the members are physically present or in the form of either video or audio conferences.
- 4.3 Agendas and relevant papers shall be circulated to all members of the Committee and, in whole or in part as appropriate, to other invited attendees in good time in advance of each meeting.
- 4.4 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the provisions of the Company's Articles of Association regulating the meetings and proceedings of Directors.
5. **Quorum**
- 5.1 The quorum necessary for the transaction of business shall be two 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.
6. **Minutes of Meetings and records**
- 6.1 The Secretary shall minute the proceedings and decisions of all Committee meetings (including the names of those present and in attendance).
- 6.2 The Secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.3 Draft 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 (as determined by the Committee Chairman) it would be inappropriate to do so.
- 6.4 The Secretary shall keep a record of:
- 6.4.1 the membership of, and the dates of any changes to the membership of, the Committee;
 - 6.4.2 any person who, or firm which provides search consultancy services to or otherwise materially assists the Committee.
7. **Annual General Meeting**
- 7.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.
8. **Responsibilities of the Committee**
- The Committee shall:
- 8.1 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 members as a whole. In doing so, the Committee must have regard (among other matters) to:
- 8.1.1 the likely consequences of any decision in the long term;
 - 8.1.2 the interests of the Company's employees;
 - 8.1.3 the need to foster the Company's business relationships with suppliers, customers and others;

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- 8.1.4 the impact of the Company's operations on the community and the environment;
- 8.1.5 the desirability of the Company maintaining a reputation for high standards of business conduct; and
- 8.1.6 the need to act fairly as between the members of the Company;
- 8.2 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board and its Committees taking into account the Company's current requirements, the results of the Board performance evaluation process that relate to the composition of the Board, and the future development of the Company, and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- 8.3 identify, nominate and recommend for the approval of the Board, candidates to fill board vacancies as and when they arise, including in relation to Executive Directors their appointment to an executive position with the Company;
- 8.4 make recommendations to the Board regarding the Board's policy on boardroom diversity;
- 8.5 review, and make recommendations to the Board on, the implementation of the Board's policy on boardroom diversity and to report to the Board on progress made in achieving any objectives set out in the policy;
- 8.6 keep under review the leadership needs of the Company giving full consideration to succession planning for Directors and other senior executives, taking into account the challenges and opportunities facing the Company, and the skills and expertise required to ensure the long-term success of the organisation ;
- 8.7 make available its terms of reference explaining clearly its role and the authority delegated by the Board;
- 8.8 work and liaise as necessary with all other Board committees;
- 8.9 before an appointment is made by the Board, evaluate the balance of skills, knowledge and experience, diversity and independence 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:
 - 8.9.1 consider internal candidates who may be suitable for promotion to the Board in an executive capacity;
 - 8.9.2 where appropriate, use open advertising or the services of external advisers to facilitate the search;
 - 8.9.3 consider candidates from a wide range of backgrounds;
 - 8.9.4 consider candidates on merit and against objective criteria (including time availability) and with due regard for the benefits of diversity, including gender;
 - 8.9.5 review a candidate's other commitments and ensure that, on appointment, a candidate has sufficient time to undertake the role. In particular, if the candidate is to be appointed as a full time Executive Director of the Company, to ensure he is not a Non-executive Director of more than one, or the chairman of any, FTSE 100 company;
 - 8.9.6 for the appointment of a Chairman of the Board, prepare a job specification, including the time commitment expected. A proposed Chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairman's commitments should be reported to the Board as they arise; and

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- 8.9.7 obtain from the proposed appointee details regarding any other business interests which may result in a conflict of interest and to ensure that consideration is given to whether these need to be approved by the Board prior to appointment;
- 8.10 be responsible for identifying and nominating for the approval of the Board, candidates to serve as Directors as and when vacancies arise. All recommendations of the Committee in respect of appointment of such positions shall only take effect when approved by the Board;
- 8.11 keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 8.12 review annually the time required to fulfil the role of Chairman of the Board, senior independent Director and each Non-executive Director (taking into account committee memberships) and, with reference to the annual performance evaluation should be used to assess whether the Non-executive Directors are spending enough time to fulfil their duties;
- 8.13 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;
- 8.14 make a statement in the annual report about its activities, the process used for appointments and explain if external advice or open advertising has not been used and membership of the Committee, number of Committee meetings and the attendance over the course of the year;
- 8.15 ensure that on appointment, all Executive Directors receive a formal service contract setting out clearly what is expected of them; and
- 8.16 assume responsibility for monitoring developments in corporate governance going forward, particularly with respect to governance material published by governmental bodies, institutions and investor bodies;
- 8.17 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;
- 8.18 review the results of the Board performance evaluation process that relate to the composition of the Board and ensure that evaluation of the Board is externally facilitated at least every three years;
- 8.19 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;
- 8.20 ensure that all new Directors undertake an appropriate induction programme to ensure that they are fully informed about strategic and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a Director and consider any training requirements for the Board as a whole;
- 8.21 prior to the appointment of any Director, to obtain from the proposed appointee details regarding any other business interests, including any future business interests, which may result in a conflict of interest and to ensure that consideration is given to whether these need to be approved by the Board prior to appointment; and
- 8.22 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.

The Committee shall also make recommendations to the Board concerning:

- 8.23 the appointment of any Director to executive or other office other than to the positions of Chairman and Chief Executive Officer, the recommendation for which is to be considered at a meeting of the full Board and keep under review the number of external directorships held by Non-executive Directors;
- 8.24 the Chairman of the Board, having assessed every three years whether the present incumbent shall continue in post, taking into account the need for continuity versus freshness of approach;
- 8.25 formulating plans for succession for both Executive and Non-executive Directors and senior management in particular for the key roles of Chairman and Chief Executive Officer;
- 8.26 suitable candidates for the role of senior independent Director;
- 8.27 membership of the Audit and Risk Committee and Remuneration Committee, in consultation with the chairmen of those committees;
- 8.28 the re-appointment of any Non-executive Director at the conclusion of their specified term of office having formally reviewed his or her performance and ability to continue to contribute to the Board the light of the knowledge, skills and experience required or having taken into account any such review carried out by the Board (as applicable);
- 8.29 the re-election by shareholders of any Director under the annual re-election provisions of the Code and 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 years);
- 8.30 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;
- 8.31 the appointment of any Director to executive or other office (except for the positions of Chairman and Chief Executive Officer, which shall be matters for the Board); and
- 8.32 the appointment of any Executive Director to external offices and to keep under review the number of external directorships held by Non-executive Directors.

9. Reporting Responsibilities

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each formal meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall work and liaise as necessary with other Board Committees.
- 9.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where it considers action or improvement is needed.
- 9.4 The Committee shall compile a report to shareholders, for approval by the Board, on its activities to be included in the Company's Annual Report and Accounts. The report shall include:
 - 9.4.1 a statement about its activities, the process used to make appointments and an explanation if external advice or open advertising has not been used. Where an external search agency has been used, the statement will confirm whether or not that agency has any connection with the Company. Where neither an external search consultancy nor open advertising has been used in

the appointment of the Chairman of the Board or a Non-executive Director, an explanation as to why not;

9.4.2 a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress made in achieving such objectives; and

9.4.3 all other disclosure information requirements in accordance with regulations and with the Code.

9.5 The Committee shall ensure that the Company maintains a dialogue with shareholders about succession planning, the appointment of Directors and the work of the Committee.

10. **Other matters**

The Committee shall:

10.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;

10.2 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;

10.3 give due consideration to laws, regulations and institutional investor guidelines including, but not limited to, (to the extent applicable) the provisions of the Code and the requirements of the AIM Rules, the UK Listing Authority's Listing Rules and Transparency Rules and Market Abuse Regulation, and any published guidelines or recommendations on corporate performance on environmental, social and governance issues (in particular the guidelines published by the Investment Association and the Pensions and Lifetime Savings Association) which the Nomination Committee considers relevant or appropriate;

10.4 on at least a bi-annual basis, review and, if necessary, update its own Terms of Reference requesting Board approval for all proposed changes;

10.5 on an annual basis, review its membership, evaluate its own performance against its Terms of Reference and best practice, using external advisers where appropriate, to ensure it is operating at maximum effectiveness and report the results of such review to the Board and recommend any changes it considers necessary;

10.6 ensure that these terms of reference are made available on the Company's website in accordance with the Code;

10.7 ensure that the Company maintains a dialogue with shareholders about the work of the Nomination Committee.

11. **Authority**

11.1 The Committee is authorised by the Board (subject only to any specific limit or restraint which may be imposed from time to time by the Board) in the performance of its duties to:

11.1.1 investigate any activity within its Terms of Reference;

11.1.2 seek any information that it requires from any employee or Director;

11.1.3 obtain outside legal or other independent professional advice at the Company's expense as necessary;

11.1.4 secure the attendance of employees or external advisers at its meetings if it considers this appropriate; and

11.1.5 delegate any of its powers to one or more of its members or the Secretary.

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11.2 These terms of reference may be amended from time to time by the Board.