



RUSPETRO PLC (the “Company”)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE (the “Committee”)

The UK Corporate Governance Code (the “Code”) states that “*there should be a formal, rigorous and transparent procedure for the appointment of new directors to the board*” and that “*there should be a nomination committee which should lead the process for board appointments and make recommendations to the board*”.

These terms of reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee and the authority delegated to it by the Board in compliance with the Code.

1. MEMBERSHIP

- 1.1 Members of the Committee shall be appointed by the Board and shall be made up of at least three members, the majority of whom shall be independent Non-executive Directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Office, the head of human resources and external advisers may be invited to attend all or part of any meeting, as and when appropriate.
- 1.3 Appointments to the Committee shall be for a period of up to three years, so long as those independent Non-executive members (other than the Chairman of the Board if he or she is a member of the Committee) continue to be independent.
- 1.4 The Board shall appoint the chairman of the Committee (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 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
- 1.5 With the agreement of the Committee Chairman, members may appoint an alternate to attend Committee meetings and to act on their behalf. The alternate will be counted as a Committee member for the purposes of determining whether a quorum is present in accordance with 3 below.

2. SECRETARY

- 2.1 The Company Secretary or his or her nominee shall act as the secretary of the Committee.

3. QUORUM

- 3.1 The quorum necessary for the transaction of business shall be two members both of whom must be independent non-executive directors. 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. No member of the Committee shall attend or form part of the quorum in relation to any appointment in which he/she has a personal interest.

4. FREQUENCY OF MEETINGS

- 4.1 The Committee shall meet at least once a year and otherwise as required.

5. NOTICE OF MEETINGS

- 5.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of the Committee Chairman or of any other Committee member.
- 5.2 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 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. MINUTES OF MEETINGS

- 6.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board, unless it would be inappropriate to do so.

7. ANNUAL GENERAL MEETING

- 7.1 The Committee Chairman should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

8. DUTIES

The Committee should carry out the duties below for the Company, major subsidiary undertakings and the group as a whole, as appropriate.

The Committee shall:

- 8.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- 8.2 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 the skills and expertise needed on the Board in the future;
- 8.3 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;
- 8.4 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 8.5 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise, having regard to the Company's obligations under the relationship agreement dated 19th January 2012 between the Company and Limolines Transport Limited;
- 8.6 before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity 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:
- (a) use open advertising or the services of external advisers to facilitate the search;
 - (b) consider candidates from a wide range of backgrounds;
 - (c) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- 8.7 for the appointment of a chairman, the Committee should 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;

- 8.8 prior to the appointment of a director, the proposed appointee should be required to disclose any other business interest that may result in a conflict of interest and be required to report any future business interest that could result in a conflict of interest;
- 8.9 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;
- 8.10 review the results of the Board performance evaluation process that relate to the composition of the Board;
- 8.11 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;
- 8.12 work and liaise as necessary with all other Board Committees.

The Committee shall also make recommendation to the Board concerning:

- 8.13 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive Officer;
- 8.14 suitable candidates for the role of senior independent director;
- 8.15 membership of the Audit and Remuneration Committees, and any other Board Committees as appropriate, in consultation with the chairmen of those Committees;
- 8.16 the re appointment of any non-executive director at the conclusion of their specified term of office, having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required;
- 8.17 the re-election by shareholders of directors under the annual re-election provisions of the Code or 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 nine years);
- 8.18 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 employee of the Company, subject to the provisions of law and their service contract;
- 8.19 the appointment of any director to executive or other office.

9. REPORTING RESPONSIBILITIES

- 9.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 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.
- 9.4 The report referred to in 9.3 above should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set of implementing the policy, and progress on achieving the objectives.

10. OTHER MATTERS

- 10.1 The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- (b) 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;
- (c) give due consideration to laws and regulations, including the general duties of directors set out in the Companies Act 2006, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate; and
- (d) arrange for periodic reviews of its own performance and, at least annually, review its 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.

11. AUTHORITY

- 11.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee is authorised to seek any information it requires from any employee or director of the Company, or any consultant or other provider of services to the Company in order to perform its duties. All employees, directors, consultants and other service providers of services are directed to co-operate with requests for information made by the Committee including requests to attend meetings of the Committee.
- 11.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other independent professional advice on any matters within its terms of reference.

Approved by the Nomination Committee: 3 April 2014
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