



MASTER DRILLING Master Drilling Group Limited

Nominations Committee Charter 2019

1. INTRODUCTION

- 1.1 The role of the Nominations committee ("Committee") will be to work on behalf of the Board of Directors ("the Board") and be responsible for its recommendations within these terms of reference.
- 1.2 The Board of directors of Master Drilling Group Limited ("Master Drilling" or the "company") has delegated the responsibilities set out below to the Committee: -

2. NOMINATIONS AND APPOINTMENTS

- 2.1 The Committee will give consideration to the composition of the Board, retirements, nominations, rotation and appointments of additional and replacement directors, and make appropriate recommendations to the Board.
- 2.2 Background and reference checks should be performed before the nomination and appointment of directors.
- 2.3 The appointment of non-executive directors should be formalised through a letter of appointment.
- 2.4 The board should make full disclosure regarding individual directors to enable shareholders to make their own assessment of directors.
- 2.5 The company secretary will assist the Committee with the process of identifying directors for appointment and in their induction and training programmes.
- 2.6 The Committee shall assist the Board with the recruitment and appointment of the Chief Executive Officer, Chief Financial Officer and the Company Secretary.
- 2.7 The Committee ensures that:
 - 2.7.1 Prior to their nomination for election, candidates for election as non-executive directors of the Company are requested to provide details of professional commitments and a statement that confirms that the candidate has sufficient time available to fulfil the responsibilities as a director of the Company; and
 - 2.7.2 Such details and statement are obtained and reviewed by the Committee.
- 2.8 The Committee ensures that a brief professional profile of each candidate standing for election at the Annual General Meeting (AGM), including details of existing professional commitments, accompanies the notice of the AGM, together with a statement from the Board confirming whether it supports the candidate's election or re-election.

3. ANNUAL EVALUATIONS

- 3.1 The Committee shall on an annual basis evaluate:
- 3.1.1 The performance, competency and suitability of the Chairman of the Board and the Chief Executive Officer;
 - 3.1.2 The suitability of any additional professional positions, including membership of other governing bodies, held by the Chief Executive Officer outside of the company;
 - 3.1.3 The independence of the Independent Non-Executive directors and the Lead Independent Director [if any];
 - 3.1.4 The suitability of those directors, who are independent, and have served on the Board for more than 9 years;
 - 3.1.5 The composition and chairmanship of the Board committees, taking into account; -
 - 3.1.5.1 The responsibilities of the Board committees;
 - 3.1.5.2 Collaboration between the Board committees;
 - 3.1.5.3 Diversity of the Board;
 - 3.1.5.4 The available skills of directors for the purposes of rotating members across the various Board committees and succession planning; and
 - 3.1.5.5 Balancing powers in respect of membership across the Board committees, so that no one individual has the ability to dominate decision-making, and no undue influence is by any individual is allowed;
 - 3.1.6 The terms and conditions of any executive director's service agreements;
 - 3.1.7 That key management functions are:
 - 3.1.7.1 Headed up by individuals with the necessary competence and authority; and
 - 3.1.7.2 Adequately resourced;
 - 3.1.8 The performance and independence of the company secretary;
 - 3.1.9 Together with the Chief Executive Officer, the constitution of the boards of directors of major subsidiaries and affiliates of the Company and make recommendations to the board.
- 3.2 The Committee may consult with other non-executive directors in its evaluation of the chairperson of the Board or chief executive of the company.
- 3.3 The Committee should conduct a formal evaluation of the Committee's own performance every year, including an evaluation of the Committee's compliance with, and fulfilment of its responsibilities under this Charter.

- 3.4 After completing its evaluation, the Committee should report the results of the evaluation to the Board, to enable the Board to ensure that such evaluation supports continued improvement in the Committee's performance and effectiveness.

4. SUCCESSION PLANNING

- 4.1 The Committee shall ensure that up-to-date succession plans are in place for the Board members, the Chairman of the Board and the Chief Executive Officer.
- 4.2 The Committee shall ensure that there is a succession plan in place for executive management and other key positions to provide continuity of leadership. Succession planning should be reviewed periodically but at least annually and provide for both succession in emergency situations and succession over the longer term.
- 4.3 Leading the process for the appointment of a lead independent director as and when required and making recommendations to the Board as appropriate

5. REPORTING

- 5.1 The chairperson of the Committee shall report to the Board on a regular basis on matters dealt with by the Committee.
- 5.2 The Committee will liaise with the Board in relation to the preparation of the Committee's report to shareholders, if such a report is required.
- 5.3 The chairperson of the Committee or a member shall attend the annual general meeting and be prepared to answer questions concerning the appointment of executive and non-executive directors.
- 5.4 The following should be disclosed in relation to the evaluation of performance of the governing body:
- 5.4.1 A description of the performance evaluations under taken during the reporting period, including their scope, whether they were formal or informal, or whether they were externally facilitated or not;
 - 5.4.2 An overview of the evaluation results and remedial actions taken;
 - 5.4.3 Whether the governing body is satisfied that the evaluation process is improving its performance and effectiveness.
- 5.5 The Committee must provide the following information in the Integrated Annual Report:
- 5.5.1 a summary of the overall role, responsibilities and functions of the Committee;

- 5.5.2 a statement on whether or not the Committee has adopted formal charter that has been approved by the Board and, if so, whether the Committee is satisfied that it fulfilled its responsibilities, for the period reported on, in accordance with this Charter;
- 5.5.3 The composition of the Committee, including the names of all members of the Committee during the period reported on, their qualifications and experience, and the period for which they served on the Committee;
- 5.5.4 the number of meetings of the Committee held during the period reported on and Committee members attendance at those meetings;
- 5.5.5 any external advisors or invitees who regularly attend committee meetings;
- 5.5.6 key areas of focus during the reporting period; and
- 5.5.7 information about any other responsibilities assigned to the Committee by the Board.

6 MEMBERSHIP

- 6.1 The Committee shall consist of not less than three directors appointed by the Board, all of whom shall be non-executive directors, with the majority being independent non-executive directors.
- 6.2 The members of the Committee will hold office for such reasonable period as the Board may, in its discretion, determine from time to time.
- 6.3 In appointing the members of the Committee, the Board will nominate the chairperson of the Committee, who must be an independent non-executive, and determine the period for which they shall hold office.
- 6.4 The chairperson of the Board may be a member of the Committee and shall be eligible to be appointed as chairperson of the Committee. King IV recommends that the CEO should not be a member of this Committee.
- 6.5 The chairperson of the Committee will be responsible for the convening of the Committee and the transmission of recommendations to the Board.

7 MEETINGS

- 7.1 Meetings of the Committee should be held as the Committee deems to be appropriate but will take place at least twice each year. Meetings may be called by the chairperson of the Committee or any member of the Committee.
- 7.2 The notice of each meeting of the Committee confirming the venue, time and date and enclosing an agenda of items to be discussed, other than under exceptional circumstances, shall be forwarded to each member of the Committee not less than four working days prior to the date of the meeting.

- 7.3 A quorum for decisions of the Committee shall be any three members present (two of whom must be independent).
- 7.4 The company shall normally invite the chairperson of the Board (if not a member of the Committee) and the Chief Executive Officer to attend meetings to discuss the performance of other executive directors and senior management and make proposals as necessary.
- 7.5 Minutes of meetings shall be taken by the Group Company Secretary. Information and minutes of any previous meetings of the Committee must be distributed to Committee members within a reasonable time prior to the next meeting of the Committee.
- 7.6 All minutes of meetings of the Committee must be reviewed by the Committee chairman prior to their distribution to the Committee members for review and approval.
- 7.7 Any director may, provided that there is no conflict of interest and with the consent of the chairperson of the Committee, obtain copies of the Committee's minutes.
- 7.8 Every member of the Board is entitled to attend any Committee meeting as an observer. However, unless that Board member is also a member of the Committee, the Board member is not entitled to participate without the consent of the Committee chairman; does not have a vote; and is not entitled to fees for such attendance, unless the shareholders of the Company have approved such fees.
- 7.9 The members of the committee and invitees, if any, may participate in any meeting of the committee through the use of a conference telephone, video conference or other communication equipment by means of which all person participating in the meeting can hear each other at approximately the same time, provided that only members of the Committee shall be entitled to vote at such meetings. Such participation by members constitutes attendance and presence in person at the meeting and a member who so participates will form part of the quorum necessary for the transaction of the business meeting.
- 7.10 The Company Secretary shall ascertain at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. If any conflict of interest exists, the director subject to the conflict shall not participate or vote on the issue giving rise to the conflict.

8 REIMBURSEMENT OF EXPENSES

- 8.1 Directors should ensure that they are reimbursed for all direct and indirect expenses reasonably and properly incurred in performance of their obligation as a director e.g. accommodation and travelling expenses.
- 8.2 in addition to fees payable to them as directors of the Company from time to time, members of the Committee shall receive attendance fees for attending meetings of the Committee and for performing

any additional Committee functions in accordance with the Company's remuneration policies as approved by the Shareholders of the Company.

8.3 such remuneration shall be fair, responsible and transparent so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

9 GENERAL

9.1 The Committee, in carrying out its tasks under these terms of reference, may:

- 9.1.1 Investigate any activities within its terms of reference;
- 9.1.2 Seek outside legal or other independent professional advice at the cost of the company subject to the prior approval of the Chairman of the Board;
- 9.1.3 Secure the input of outsiders with the relevant experience and expertise where necessary at Master Drilling's expense;
- 9.1.4 Seek any information it requires from any employee, and all employees are directed to co-operate with any requests made by the Committee.

9.2 These terms of reference shall be reviewed annually and may be amended from time to time as required subject to the approval of the Board.

9.3 The Committee shall be subject to these Terms of Reference and procedures adopted by the Board and the MOI, and in the event of conflict between these terms of reference and the MOI, the MOI shall prevail.

9.4 The Committee has the authority and powers delegated to it by the Board to seek any information or records it requires from any employee of the Company in order to fulfil any function within the scope of its functions as set out in this Charter, and such employee will be required to co-operate with any reasonable requests made by the Committee in this regard.

10 REVIEW AND AMENDMENT

10.1 This Charter shall be reviewed annually and may be amended from time to time as required, subject to the approval of the Board.

This Charter was reviewed and approved by the Board of Directors in March 2019.