

# CEIBA INVESTMENTS LIMITED

## NOMINATION COMMITTEE

### TERMS OF REFERENCE

(as adopted on 14 September 2018)

#### 1 DEFINITIONS

- 1.1 Reference to the "**Company**" shall mean CEIBA Investments Limited.
- 1.2 Reference to the "**Committee**" shall mean the Nomination Committee.
- 1.3 Reference to the "**Board**" shall mean the board of directors of the Company.
- 1.4 Unless otherwise stated, reference to the "**Chairman**" shall mean the Chairman of the Committee.
- 1.5 Unless otherwise stated reference to the "**Secretary**" shall mean the Secretary of the Committee.

#### 2 MEMBERSHIP

- 2.1 The Committee shall comprise at least three members. Members of the Committee shall be appointed by the Board, on the recommendation of the Committee in consultation with the Chairman. The Board shall appoint the Chairman.
- 2.2 All members of the Committee shall be independent non-executive directors. The chairman of the Board may also serve on the Committee. Any member who fails to remain independent will step down from the Committee.
- 2.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals (if not members of the Committee) such as other directors of the Company, representatives of the Company's investment manager or other external advisers may be invited to attend all or part of any meeting, as and when appropriate and necessary.
- 2.4 Appointments to the Committee shall be for a period of up to three years which may be extended for further periods, provided the director still meets the criteria for membership of

the Committee. The Board may fill vacancies in the Committee by appointment from amongst the Board.

2.5 Each member of the Committee shall disclose to the Committee:

- (a) any personal financial or other interest in any matter to be decided by the Committee;  
or
- (b) any potential conflict of interest arising from a cross-directorship or otherwise,

and any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee.

### **3 SECRETARY**

The company secretary of the Company, or his or her nominee, shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

### **4 QUORUM AND VOTING ARRANGEMENTS**

4.1 The quorum necessary for the transaction of business shall be two members of the Committee. 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.

4.2 Members may participate in a meeting of the Committee by means of a telephone or other communication equipment.

4.3 Any matters to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Any action of the Committee may also be taken by an instrument or instruments in writing signed by all members of the Committee (including in counterparts) and any such action shall be as effective as if it had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

- 4.4 In the absence of the Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Company should not chair the Committee when it is dealing with the appointment of a successor to the Chairmanship of the Company.

## **5 FREQUENCY OF MEETINGS**

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

## **6 NOTICE OF MEETINGS**

- 6.1 Meetings of the Committee shall be convened by the Secretary at the request of any of its members.
- 6.2 Unless otherwise agreed by the Committee, 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 and all other non-executive directors no later than five working days before the date of the meeting. The Secretary or his or her nominee shall ensure that supporting information and papers shall be sent to Committee members and other attendees as appropriate at the same time.
- 6.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

## **7 MINUTES OF MEETINGS**

- 7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2 The Secretary shall ascertain at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly.
- 7.3 Draft minutes of Committee meetings shall be agreed with the Chairman and then circulated promptly to all members of the Board, unless it would be inappropriate to do so in the opinion of the Chairman.

## **8 ANNUAL GENERAL MEETING**

The Chairman 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 should have oversight of, and carry out the duties below for, the Company, major subsidiary undertakings (if any) and the group as a whole (if a group is in existence), as appropriate.

9.2 The Committee shall:

- (a) 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;
- (b) give full consideration to succession planning for directors 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;
- (c) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (d) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (e) 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:
  - (i) consider the use of 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 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;

- (f) for the appointment of a Chairman of the Board, the Committee should prepare a job specification, including the time commitment expected recognising the need for availability in the event of a crisis. A proposed Chairman of the Board's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairman of the Board's commitments should be reported to the Board as they arise;
- (g) 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;
- (h) 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;
- (i) review the results of the Board performance evaluation process that relate to the composition of the Board;
- (j) 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;
- (k) review any proposed changes to the remuneration of the directors of the Company; and
- (l) work and liaise as necessary with all other Board committees.

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

- (a) formulating plans for succession for non-executive directors and in particular for the key role of Chairman of the Board;
- (b) suitable candidates for the role of senior independent director (if appointed);

- (c) the re-election by shareholders of directors under the annual re-election provisions in the Association of Investment Companies Corporate Governance Code (the "**Code**"), 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);
- (d) membership of the audit committee and management engagement committee and any other Board committees as appropriate, in consultation with the chairman of those committees; and
- (e) 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 knowledge, skills and experience required.

## **10 REPORTING RESPONSIBILITIES**

- 10.1 The Chairman shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This report shall include any issues on which the Board has requested the Committee's opinion.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall compile a report on its activities, including its membership and frequency of and attendance at its meetings, to be included in the Company's annual report. The report should include an explanation of the Committee's 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 and all other information requirements set out in the Code.
- 10.4 The report referred to in paragraph 10.3 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 the objectives.

## **11 OTHER MATTERS**

The Committee shall:

- 11.1 have access to sufficient resources in order to carry out its duties, including access to the Secretary for assistance as required;
- 11.2 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;
- 11.3 give due consideration to relevant laws and regulations, the provisions of the Code and the requirements of the Listing Rules to the extent the Company has resolved to comply with these, the Prospectus Rules and the Disclosure Guidance and Transparency Rules made by the Financial Conduct Authority under section 73A of the Financial Services and Markets Act 2000 and the Alternative Investment Fund Managers Directive (2011/61/EU) and any other applicable rules, as appropriate;
- 11.4 oversee any investigation of activities which are within its terms of reference;
- 11.5 work and liaise as necessary with all other Board committees; and
- 11.6 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.

## **12 AUTHORITY**

The Committee is authorised to:

- 12.1 seek any information it requires from any member of the Board or any director or employee of the Company's investment manager or any sub-adviser (from time to time) in order to perform its duties;
- 12.2 obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter within its terms of reference;
- 12.3 call any officers of the Company to be questioned at a meeting of the Committee as and when required; and

12.4 have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.