

## **Herencia Resources plc (the "Company") Nomination Committee Terms of Reference**

### **1. Membership**

- 1.1. Appointments to the "Nomination Committee (the "Committee") are made by the Board
- 1.2. of the Company (the "Board"). Appointments shall be for a period of up to 3 years, which may be extended for further periods of up to 3 years, provided the appointed director continues to meet the criteria for membership of the committee.
- 1.3. The Committee shall consist of not less than two members. The members of the Committee shall be Directors of the Company.
- 1.4. Only members of the Committee have the right to attend meetings of the Committee. However, other individuals may be invited to attend of all or part of any meeting as and when appropriate and necessary.
- 1.5. The Board shall appoint the Chairman of the Committee who should be a non-executive director. In the absence of the Committee Chairman, the remaining members shall elect one of themselves to chair the meeting. The Chairman of the Board shall not chair or be present at meetings dealing with matters of succession of the chairmanship of the Company.

### **2. Secretary**

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

### **3. Quorum**

- 3.1. The quorum necessary for the transaction of business shall be two both of whom must be non-executive directors.

### **4. Frequency of Meetings**

- 4.1. The Committee will meet at least one per year and otherwise as required.
- 4.2. A meeting may be requested at any time by the Chairman of the board, by any member of the Committee who considers that a meeting is necessary and by any member of the board if approval is given by the Chairman of the board.

### **5. Notice of Meetings**

- 5.1. Meetings of the committee shall be called by the secretary at the request of the committee chairman, the Chairman of the Board or any member of the Committee who considers that a meeting is necessary.
- 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, any other person required to attend and all other non-executive directors, 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 in the opinion of the committee chairman it would be inappropriate to do so.

## **7. Annual general meeting**

- 7.1. The committee chairman should attend the Company 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 and subsidiaries and make recommendations to the board 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, 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 organisation with a view to ensuring the continued ability of the organization to compete effectively;
- 8.4. be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 8.5. 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:
  - 8.5.1. consider a range of resourcing services, including open advertising and external advisors, to facilitate the search;
  - 8.5.2. consider candidates from a wide range of backgrounds; and
  - 8.5.3. consider candidates on merit and against objective criteria and with due regard to the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position.
- 8.6. for the appointment of the Company Chairman, the committee should prepare a job specification, including the time commitment expected. Any potential 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. prior
- 8.7. to the appointment of a director, the proposed appointee is required to:
  - 8.7.1. 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;

- 8.7.2. provide the Company's NOMAD with all information necessary for the NOMAD to undertake all checks required of a listed company director; and
- 8.7.3. 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.
- 8.8. review the results of the board performance evaluation process that relate to the composition of the board.
- 8.9. 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 fulfill their duties
- 8.10. work and liaise as necessary with all other board committees.
- 8.11. make recommendations to the board regarding 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 six years);
- 8.12. make recommendations on 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;
- 8.13. make recommendations regarding 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 report to shareholders in the Company's Annual Report in compliance with the Code.
- 9.4. 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.
- 9.5. 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 for implementing the policy, and progress on achieving the objectives.

## **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 secretariat 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 and regulations, 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
- 10.4. 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 obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.