

**PXP VIETNAM FUND LIMITED**

**TERMS OF REFERENCE**

**NOMINATION COMMITTEE**

**1. MEMBERSHIP**

- 1.1 Members of the Committee shall be appointed by the Board and shall comprise a Chairman and at least two other members.
- 1.2 A majority of the members of the Committee shall be non-executive directors who are independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgement.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the investment manager or other external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided that the director remains non-executive.
- 1.5 The Board shall appoint the Chairman of the Committee who shall be an independent non-executive director and determine the period for which he or she shall hold office. In the absence of the Chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of the non-executive members present to chair the meeting.

**2. QUORUM**

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.

**3. FREQUENCY OF MEETINGS**

The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.

**4. NOTICE OF MEETINGS**

- 4.1 Meetings of the Committee shall be summoned by the Chairman of the Committee at the request of any of its members.
- 4.2 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 (in respect only of such part(s) of the meeting which they are required to attend) and all other non-executive directors, no fewer

than five working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **5. MINUTES OF MEETINGS**

- 5.1 The Chairman shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 5.2 The Chairman shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 5.3 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 a conflict of interest exists.

## **6. ANNUAL GENERAL MEETING**

The Chairman of the Committee shall attend the annual general meeting prepared to respond to any shareholder questions on the Committee's activities.

## **7. DUTIES**

The Committee shall:

- 7.1 regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- 7.2 give full consideration to succession planning for directors, taking into account the challenges and opportunities facing the Company, and what skills and expertise are needed on the Board in the future;
- 7.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 7.4 before making an appointment, evaluate the balance of skills, knowledge and experience 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; and
  - (c) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- 7.5 keep under review the management needs of the Company with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- 7.6 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;

- 7.7 review annually the time required from a non-executive director. Performance evaluation should be used to assess whether the non-executive director is spending enough time to fulfil his or her duties;
- 7.8 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; and
- 7.9 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 the membership of the Committee, number of Committee meetings and attendance over the course of the year;
- 7.10 make available its terms of reference explaining clearly its role and the authority delegated to it by the Board;

The Committee shall make recommendations to the Board concerning:

- 7.11 formulating plans for succession for directors and in particular for the key role of Chairman of the Board;
- 7.12 membership of the Audit Committee, in consultation with the chairman of that committee;
- 7.13 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 light of the knowledge, skills and experience required;
- 7.14 the re-election by shareholders of any director under the retirement by rotation provisions in the Company's articles of association;
- 7.15 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; and
- 7.16 the appointment of any director to executive or other office other than to the position of chairman the recommendation for which would be considered at a meeting of the Board.

## **8. REPORTING RESPONSIBILITIES**

The Committee shall:

- 8.1 report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;
- 8.2 make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed; and
- 8.3 make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

## **9. AUTHORITY**

The Committee is authorised by the Board:

- 9.1 to seek any information it requires from any employee of the Company in order to perform its duties;
- 9.2 to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
- 9.3 to call any member of staff to be questioned at a meeting of the Committee as and when required.

## **10. OTHER**

The committee shall, at least once a year, review its own performance, 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. DEFINITIONS**

### **"Board"**

shall mean the full Board of Directors;

### **"Committee"**

shall mean the Nomination Committee.