

RESOURCE GENERATION LIMITED

NOMINATION COMMITTEE

TERMS OF REFERENCE

Purpose

To support and advise the Board in fulfilling its responsibility to shareholders in ensuring the Board is comprised of individuals who are best able to discharge the responsibilities of Directors.

Role

- Annually review the composition of the Board and make recommendations on the appropriate skill mix, personal qualities, expertise, ability to exercise independent judgement and diversity required to discharge the Board's duties.
- Determine whether the requirements identified in the above review are currently satisfied by the composition of the Board. This assessment is completed periodically and whenever an existing Non-Executive Director retires.
- Recommend to the Chairman of the Board ways in which the skills, experience, and expertise levels of existing Directors can be enhanced through education.
- Recommend to the Board candidates the Committee considers appropriate for appointment to the Board having regard to the skills, experience, ability to exercise independent judgement and expertise assessments completed.
- Recommend to the Board candidates the Committee considers appropriate for removal from the Board having regard to the skills, experience, ability to exercise independent judgement and expertise assessments completed.
- Establish processes for:
 - the identification of suitable candidates for appointment to the Board and the selection procedures for the appointment; and
 - the removal of non-performing Directors.
- Ensure that an effective induction process for individual Directors of the Board is in place, with regular reviews of its effectiveness.
- Establish and maintain the selection, appointment and succession planning process of Resource Generation's Managing Director
- Establish and maintain the process for the review of the performance of individual Directors and the Board as a whole.

Policy and Procedure for Appointment of Directors

The Nomination Committee policy for the appointment of Directors, as part of the broader selection and appointment procedure, looks to ensure that the potential appointee best matches the needs of the Board. Factors considered by the Nomination Committee when recommending a person for appointment as a Director include:

- The time commitment required by a Director to effectively discharge his or her duties to the company;
- The number of existing Directorships and other commitments that may demand the attention of the appointee;
- The nature of existing positions, Directorships or other relationships and the impact that each may have on the appointee's ability to exercise an independent judgement. Independence is defined in the section below; and

- The extent to which the appointee is likely to work constructively with the existing Directors and contribute to the overall effectiveness of the Board. The procedure for the selection and appointment of new Directors is based on the Nomination Committee doing the following:
 - Assess the needs of the Board to ensure that there is a range of skills represented, including an understanding of:
 - the industry in which Resource Generation operates;
 - the markets in which Resource Generation operates;
 - specialist technical knowledge required; and
 - accounting, finance and legal matters.
 - Where appropriate, engaging recruitment advisers to identify individuals with the skills and experience required by the Board;
 - Development of a short list of potential appointees taking into account, among other things, the particular skills and experience of each individual appointee and their ability to fit with the existing Board; and
 - Recommending to the Board the most appropriate person from the short list of potential appointees to be invited to become a Director of the company.

Independence

A Director is only to be regarded as independent if the Director:

- Is a non-executive Director;
- Is not a substantial shareholder of Resource Generation, or an officer of, or otherwise associated with, a substantial shareholder of Resource Generation;
- Has not been employed in the capacity as an executive of Resource Generation within the last three years;
- Has not been a principal of a material professional advisor or a material consultant to the company or an employee materially associated with the service provided within the last three years;
- Is not a material supplier or customer of Resource Generation, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- Has no material contractual relationship with Resource Generation, or an officer of or otherwise associated directly or indirectly with the material supplier or customer;
- Has not served on the Board for a period which could, or could be perceived to, materially interfere with the Director's ability to act in the best interests of Resource Generation; and
- Has no interest or business or relationship, which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Resource Generation.

Membership

The Chairman of the Board shall be the Chairman of the Nomination Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

Meetings

The Committee shall meet annually, unless otherwise required. Any Committee member may call a meeting of the Committee. The Committee may invite any executive management team members or other individuals to attend meetings of the Committee, as they consider appropriate.

Reporting

Copies of the Nomination Committee meeting minutes shall be circulated to all Directors. The Chairman of the Nomination Committee shall report the findings and recommendations of the Committee to the Board after each Committee meeting.

Attendance at Meetings

A quorum will comprise any two Committee members. Each member shall have one vote and the Chairman of the Committee shall not have a second or casting vote. The Managing Director shall excuse himself from voting on agenda items concerning his role.

Authority

The Committee has the authority to:

- Obtain independent professional or other advice in the fulfilment of its duties at the cost of the company; and
- Obtain such resources and information from the company in the fulfilment of its duties as it may reasonably require.

Review of Committee Performance

The Committee will annually revisit its objectives and duties and evaluate the effectiveness of its performance.

CURRENT MEMBERSHIP

Chairman:	Brian Warner
Non-Executive Director:	Geoffrey (Toby) Rose
Managing Director:	Paul Jury
Secretary:	Stephen Matthews