

**BLME Holdings plc** ('BLMEH plc' or 'Company')

**BOARD NOMINATIONS COMMITTEE ('NOMCO' or 'Committee')**

**TERMS OF REFERENCE (as at 11<sup>th</sup> December 2015)**

**1. Appointment of Board Nominations Committee**

This Committee is established under the Authority of the Board of BLMEH plc to assist the Board to exercise its responsibilities for all aspects connected with the composition of the Board.

The Articles of Association of BLMEH plc (the Articles) adopted by Resolution of the Board passed on 24<sup>th</sup> June 2013, impose membership criteria and establish proceedings protocols (unless varied by way of Board Resolution) on both the Board and its Committees. Any such stipulations are reflected in these Terms of Reference which are intended to be fully compliant but should any conflict arise between the Terms of Reference for any committee established under the authority of the Board and the Articles, then the requirements of the Articles will take precedence.

The Committee notes that the Board has emphasised that members of the Committee have both collective and individual responsibilities. In this regard the Board reminds Committee members of their obligations as described in the Individual Accountability policy as appropriate to the knowledge and experience of each member of the Committee.

**2. Purpose**

The Committee is responsible for providing guidance and recommendations to the Board on all matters affecting the composition of the Board including the appointment of new directors.

Given the importance of a Sharia'a Supervisory Board (SSB) to the operations of a Sharia'a compliant Bank, the Committee will also assist the Board in providing support for the identification and appointment of scholars to the SSB.

**3. Membership**

The Committee will be appointed by the Board and will comprise 3 members.

The present membership of Board Nominations Committee is as under:

<b>Members:</b>			
Neil Holden	Chairman	1 vote	Non Exec Director
Frank Vermeulen	Deputy Chairman	1 vote	Non Exec Director
David Williams		1 vote	Non Exec Director

#### **4. Quorum**

2 voting members of the Committee, including the Chairman, are required to constitute a quorum. In the event of a split vote, the casting vote rests with the Chairman.

#### **5. Chair**

The Chairman of the Committee will be elected by the Board.

Other Non-Executive Directors and the Chief Executive Officer of BLMEH plc may attend meetings at the Chairman's invitation but do not have a vote.

#### **6. Frequency of Meetings**

The Committee will meet at least twice per year.

#### **7. Secretary and Minutes**

The nomination of a secretary will be the responsibility of the Chairman.

Minutes of the proceedings and decisions of the Committee will be agreed and circulated promptly to members and to other recipients identified by the Chairman.

Action points will be assigned to named individuals for resolution and will be reviewed and updated on a regular basis.

The Chairman will be responsible for reporting the Committee deliberations and any recommendations to the subsequent Board meeting.

#### **8. Escalation**

Matters that are deemed to be outside the responsibilities of the Committee will be submitted to the Board for consideration.

#### **9. Powers and Responsibilities of the Nominations Committee**

This Committee will work closely with the Board, Executive Directors, Chief Executive Officer and any professional advisors that the Committee determines necessary to assist with their responsibilities. The Committee may engage any outside professional advisers who may be necessary for the Committee to carry out its duties.

Its duties will include the following:

- i. To ensure that any person nominated for election to the Board is fit and proper with the appropriate skills and experience for the post in accordance with regulatory requirements and principles of good corporate governance.
- ii. To ensure that appointments to the Board have been made on merit and against objective criteria.

- iii. To ensure that there is a formal, rigorous and transparent procedure for the appointment of directors to the Board.
- iv. To determine the fees and expenses of non-executive members of the Boards. To review all fees and expenses on an annual basis.
- v. To oversee the Board assessment process, ensure that satisfactory analysis is undertaken of the performance of the Board, and report to the Board on at least an annual basis on its assessment taking account of the balance of skills, knowledge, independence and experience on the Board. This may be by way of an independent performance evaluation of the Board, its principal committees and the respective Chairmen of those committees and the Committee will identify who will undertake the evaluation
- vi. In light of the evaluation and with responsibility for all matters relating to the composition of the Board identify any skill gaps on the Board and any succession planning issues and recommend to the Board how these gaps will be addressed.
- vii. To oversee the training as necessary of all Board members.
- viii. Make recommendations to the Board concerning the appointment of independent non-executive Directors using the criteria for independence as defined in the UK code on corporate governance and review the independence of non-executive Directors on an annual basis.
- ix. Make recommendations to the Board on the appointment of any new Directors to the Board and accept an overseeing role in any appointment process having prepared a description of the role and capabilities required for a particular appointment.
- x. Responsibility for preparing the job specification and appointment of Chairman of the Board using an objective assessment of relevant criteria including the assessment of time commitment in general and in event of crises.
- xi. As invited, make recommendations to the Board on the appointment of any new scholars to the Sharia'a Supervisory Board and accept a role in any appointment process.
- xii. As necessary, take responsibility for establishing the selection criteria and recommending the appointment of any advisors to the Committee and the Board of Directors including their terms of reference.
- xiii. Ensure that the provisions regarding the results of the annual performance evaluation of the Board as listed in the Dubai Financial Services Authority Corporate Governance Best Practice Standards and any other relevant legislation are fulfilled.
- xiv. Reporting to the Board on its proceedings after each meeting on all matters within its powers and responsibilities.
- xv. To review its performance and terms of reference annually to ensure it is operating effectively and will recommend any changes necessary to improve performance for Board approval.
- xvi. The Chairman of the Nominations Committee will be represented at the Annual General Meeting to respond to shareholders questions on Committee activities.
- xvii. With regard to succession planning the Committee should make recommendations to the board concerning:
- xviii. formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive Officer;
- xix. suitable candidates for the role of Senior Independent Director;

- xx. 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.
- xxi. Consider and make recommendations on any other issues as requested by the Board.
- xxii. Ensure that the Committee's activities are in accordance with the Sharia'a as interpreted by the Sharia'a Supervisory Board.