



NOMINATION COMMITTEE

Terms of Reference

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1. Definitions

- 1.1 Reference to the "Committee" shall mean the Nomination Committee.
- 1.2 Reference to the "Board" shall mean the Board of Directors of Port Erin Biopharma Investments Limited.
- 1.3 Reference to the "Company" shall mean Port Erin Biopharma Investments Limited.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board. The Committee shall be made up of at least 2 members.
- 2.2 All members of the Committee have the right to attend Committee meetings. However, other individuals may be invited by the Chairman of the Committee to attend for all or part of any meeting as and when appropriate.
- 2.3 Appointments to the Committee shall be for a period of up to 3 years, which may be extended by the Board for a further 3-year period (or, in exceptional circumstances, two further 3-year periods), provided the director still meets the criteria for membership of the Committee. The Board may approve annual extensions to any director who has served 3 consecutive terms.
- 2.4 The Board shall appoint the Chairman of the Committee who should either be the Chairman of the Board or an independent non-executive director. In the absence of the Chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

3. Secretary

- 3.1 The Finance Director of the Company or his or her nominee shall act as the Secretary to 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

- 4.1 The quorum necessary for the transaction of business shall be 2 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. Committee members may attend by telephone.

5. Frequency of Meetings

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

6. Notice of Meetings

- 6.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any of its members.
- 6.2 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 and any other person required to attend no later than 5 working days before the date of the meeting.

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 record any conflicts of interest divulged at the meeting.
- 7.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes will be circulated to all other members of the Board unless in the opinion of the Chairman of the Committee it would be inappropriate to do so.

8. Annual General Meeting

- 8.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

9. Duties

9.1 The Committee shall:

- i. Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board compared to its current position and make recommendations to the Board with regard to any changes.
- ii. 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 what skills and expertise are therefore needed on the Board in the future.
- iii. Keep under review the leadership needs of the Company with a view to ensuring the continued ability of the Company to compete effectively.
- iv. Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- v. Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- vi. Before appointment is made by the Board, 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.
 - c. Consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position.

- vii. For the appointment of a chairman of the Company or subsidiary company where an independent non-executive director is deemed necessary, the Committee should prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to a chairman's commitments should be reported to the Board as they arise.
- viii. 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.
- ix. 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.
- x. Review the results of board performance evaluations that relate to the composition of the Board.
- xi. Review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executives are spending enough time fulfilling their duties.

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

- i. Formulating plans for succession for directors and in particular for the key roles of chairman and finance director.
- ii. Suitable candidates for the role of senior independent director, if appointed.
- iii. Membership of the Audit, Risk & Compliance and Remuneration committees, in consultation with the chairmen of those committees.

- iv. 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 the knowledge, skills and experience required.
- v. The re-election by shareholders of any director under 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.
- vi. Any matters relating to the continuation in office of any director at any time including the suspension or termination or service of a Non-executive director as an employee of the Company subject to the provisions of the law and their service contract.
- vii. The appointment of any director to executive or other office other than to the positions of chairman and finance director, the recommendation for which would be considered at a meeting of the full Board.

10. Reporting Responsibilities

- 10.1 The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall:
 - i. Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
 - ii. 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.
 - iii. Make these Terms of Reference available to shareholders by placing them on the Company's website.

11. Other

11.1 The Committee shall:

- i. Have access to sufficient resources in order to carry out its duties, including access to the Finance Director for assistance as required.
- ii. 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.
- iii. Give due consideration to laws and regulations and the provisions of the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies and the requirements of the UK Listing Authority's Listing Rules, as appropriate.
- iv. 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

12.1 The Committee is authorised to:

- i. Seek any information it requires from any officer of the Company in order to perform its duties.
- ii. Obtain, at the Company's expense, outside legal or other professional advice on any matter within its Terms of Reference.
- iii. Subject to the constitutional documents of the Company to determine its own procedures. The frequency and timing of meetings will differ according to the needs of the Company.