

ADES International Holding Ltd
(the “Company”)

Terms of Reference of the Nomination and Governance Committee
(the “Committee”)

(approved at a meeting of the board of directors (the “Board”) held on 9 May 2017)

1. Introduction

- 1.1 The Board has determined that the Company should comply with the provisions of the UK Corporate Governance Code (the “Code”) for so long as it is admitted to trading on the London Stock Exchange and so far as appropriate for a company of its size and nature.
- 1.2 The Code provides that “*there should be a formal, rigorous and transparent procedure for the appointment of new directors to the board*” and that “*there should be a nomination committee which should lead the process for board appointments and make recommendations to the board*”.

2. Terms of Reference to be made Available

- 2.1 The Committee shall make available these terms of reference, explaining its role and the authority delegated to it by the Board.
- 2.2 These terms of reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee and the authority delegated to it by the Board in compliance with the Code.
- 2.3 The requirement to make this information available would be met by making such information available on request and including the terms of reference and such explanation on the Company’s website.

3. Membership

- 3.1 Members of the Committee shall be appointed by the Board and shall be made up of at least two non-executive members, and the majority of which shall be independent non-executive directors.
- 3.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the head of human resources and external advisers may be invited to attend all or part of any meeting, as and when appropriate.
- 3.3 In deciding chairmanship and membership of the Committee, the value of ensuring that Committee membership is refreshed and that undue reliance is not placed on particular individuals should be taken into account.
- 3.4 All appointments to the Committee shall be for a period of one year.
- 3.5 The Board shall appoint the chairman of the Committee (the “**Committee Chairman**”) who should be either the chairman of the Board or an independent non-executive director.
- 3.6 If the chairman of the Board is appointed the Committee Chairman, he/she shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

4. Secretary

The company secretary or their nominee shall act as the secretary of the Committee and shall attend all of its meetings and shall prepare and circulate to members and all other non-executive directors (and invitees as appropriate) all information and papers in a timely manner to enable them to be give full and proper consideration to the issues.

5. Quorum

The quorum necessary for the transaction of business shall be two members both of whom must be independent non-executive directors. 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. All reasonable efforts shall be made to give notice of meetings of the Committee to all members and invitees and to arrange such meetings so that all members and invitees are able to attend. No member of the Committee shall attend or form part of the quorum in relation to any appointment in which he/she has a personal interest.

6. Frequency of Meetings

The Committee shall meet as frequently as the Committee Chairman shall require and also at regular intervals to deal with routine matters and, in any event, not less than twice in each financial year. Any member of the Committee may request a meeting if he/she considers that one is necessary or expedient.

7. Notice of Meetings

- 7.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of the Committee Chairman or any member of the Committee.
- 7.2 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.

8. Committee Chairman

In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Committee Chairman (or chairman of the relevant meeting) shall have a casting vote on all matters in the event of an equality of votes.

9. Minutes of Meetings

- 9.1 The company secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 9.2 The company secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

- 9.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and the chairman of the Board and, once agreed and finalised, to all other members of the Board, unless it would be inappropriate to do so.

10. Formal Reporting to the Board

The Committee Chairman shall report formally to the Board on its proceedings after each meeting of the Committee on all matters within its duties and responsibilities.

11. Annual General Meeting

The Committee Chairman shall attend the Annual General Meeting, if requested by the Chairman or the majority Shareholders, and be prepared to respond to any shareholder questions on the Committee's activities.

12. Duties

- 12.1 The Committee members have the following specific duties as regards their membership of the Committee. In carrying out these specific duties, the Committee should keep in mind the Main Principle at B.2 of the Code that "*there should be a formal, rigorous and transparent procedure for the appointment of new directors to the Board*" as well as provision B.2.1 which provides that "*There should be a nomination committee which should lead the process for board appointments and make recommendations to the Board*".

- 12.2 The Committee shall:

As regards general:

- (a) lead the process for Board appointments and make recommendations to the Board;
- (b) develop and regularly review the Company's overall approach to governance practices, implement and administer the governance system and propose such procedures and policies to ensure Company's commitment to high standards of corporate governance;
- (c) monitor and make recommendations to the Board on board governance issues, including the establishment of appropriate policies and practices to enable the Board to operate effectively and efficiently;
- (d) regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board (with particular regard to the balance of executive and non-executive directors, including independent non-executives) compared to its current position and make recommendations to the Board with regard to any changes and externally facilitate review of the Board at least once every three years;
- (e) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- (f) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (g) 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 fulfil their duties;

As regards appointments:

- (h) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise, having regard to the Company's obligations under the relationship agreement dated 9 May 2017 between the Company and ADES Investments Holding Ltd;
- (i) before any appointment is made, 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;
- (j) in identifying suitable candidates the Committee shall: and
 - (i) consider candidates from a wide range of backgrounds; and
 - (ii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- (k) 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. This letter of appointment containing the terms and conditions of appointment of any non-executive director should be made available for inspection by any person at the Company's registered office during normal business hours and at the Company's annual general meeting (for 15 minutes prior to, and during, the meeting);
- (l) review the results of the Board performance evaluation process that relate to the composition of the Board
- (m) ensure that the Company maintains contact as necessary with its major shareholders about appointments to the Company;
- (n) ensure, in conjunction with the chairman of the Board, that new directors receive a full, formal and tailored induction;

As regards the appointment of the chairman of the Board:

- (o) for the appointment of chairman of the Board, prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises. A candidate's other significant commitments should be disclosed to the Board before appointment (and also included in the annual report). Any changes to the chairman's commitments should be reported to the Board as they arise;

As regards governance:

- (p) review and approve changes to the Board's governance guidelines, monitor the compliance with such guidelines and with applicable legal, regulatory and listing requirements and recommend to the Board such changes or additional action as it deems necessary;
- (q) advise the Board periodically with respect to significant developments in the law and practice of corporate governance;

As regards conflicts:

- (r) as requested from time to time by the company secretary or his nominee, consider all matters relating to directors and conflicts of interests with the Company including, but not limited to, new potential or actual situations that may lead to a conflict and

existing situations where circumstances may have changed or be about to change and make recommendations to the Board as to the authorisation the Board may or may not choose to give; and

As regards disclosure:

- (s) make available its terms of reference explaining clearly its role and the authority delegated to it by the Board.

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

As regards general:

- (a) any area within its remit where action or improvement is needed;

As regards appointments:

- (b) the appointment of any director to executive or other office;
- (c) suitable candidates for the role of senior independent directors;

As regards audit and remuneration committee membership:

- (d) the membership of the Audit and Remuneration Committees, in consultation with their chairmen;

As regards succession planning:

- (e) plans for succession for both executive and non-executive directors (and in particular for the key roles of chairman and chief executive) and to this end, in the course of its work, give full consideration to succession planning with regard to both Board and senior management appointments, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;

As regards re-appointments:

- (f) the re-appointment of any non-executive director at the conclusion of his or her specified term of office, having due regard to their performance and ability to contribute to the Board in the light of the balance of knowledge, skills and experience required;
- (g) the continuation (or not) in service of any director who has reached the age of 70;
- (h) any matters relating to the continuation in office as a director of any director at any time including the suspension or termination of service of an executive director as employee of the Company, subject to the provisions of law and their service contract;

As regards reporting and disclosure:

- (i) the statement required to be included in a separate section of the annual report of the Company (i) describing the work and activities of the Committee and (ii) describing the process used in relation to Board appointments, and providing an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chairman or non-executive director;
- (j) the statement required to be included in the annual report of the Company identifying the membership of the Committee, number of Committee meetings held and attendance of individual directors over the course of the year; and

- (k) a statement to be included in the annual report describing how annual performance evaluation of the board, its committees and individual directors has been conducted.

13. Annual Review

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.

14. Other Matters

14.1 The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- (b) 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;
- (c) give due consideration to laws and regulations, including the general duties of directors set out in the provisions of the Code and the requirements of the UK Listing Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and the Market Abuse Regulation as well as any other applicable Rules, as appropriate; and
- (d) 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.

15. Authority

15.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee is authorised to seek any information it requires from any employee or director of the Company, or any consultant or other provider of services to the Company in order to perform its duties. All employees, directors, consultants and other service providers of services are directed to co-operate with requests for information made by the Committee including requests to attend meetings of the Committee.

15.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other independent professional advice on any matters within its terms of reference.

15.3 Although the Committee can seek the advice and assistance of the executive management, it must ensure that this role is clearly separated from their role within the business.

16. Ultimate Decisions

Under the Code, it is the job of the Committee to "*lead the process for board appointments and make recommendations to the board*". The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations it deems appropriate on any area within its remit. All evaluations, reviews and decisions of the Committee made in respect of appointments to the Board shall be referred to the Board and shall take effect only upon approval thereof by resolution of the Board in accordance with the Company's articles of association.