

Midland Holdings Limited

Terms of Reference for Nomination Committee

1. Objectives

The nomination committee is appointed by the board of directors to, having regard to the independence and quality of nominees, make recommendations to the board so as to ensure that all nominations are fair and transparent.

2. Authority

2.1 The committee is authorised by the board to make recommendations to the board regarding appointment of directors to the board.

2.2 The committee is authorised to seek professional advice inside and outside of the Group as and when it considers this necessary.

3. Organisation

3.1 Membership

3.1.1 The board will nominate the nomination committee members and the chairman of the nomination committee.

3.1.2 The nomination committee shall comprise at least three members to be appointed by the board from time to time. A majority of the members of the committee shall be independent non-executive directors (“INED”).

3.1.3 A quorum of any meeting shall be two members one of whom must be an INED.

3.1.4 The secretary of the nomination committee will be the company secretary.

3.2 Meetings

3.2.1 Only committee members are entitled to attend meetings. The committee may invite such other person to attend its meeting where appropriate to assist in the effective discharge of the nomination committee’s duties.

- 3.2.2 Meetings shall be held whenever the chairman of the committee deems it necessary but not less than once a year.
- 3.2.3 Notice of any meetings has to be given at least 14 days prior to any such meeting being held, unless all members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member shall be deemed waiver of the requisite length of notice by the member. Notice of any adjourned meeting is not required if adjournment is for less than 14 days.
- 3.2.4 The secretary shall circulate the agenda and supporting documentation to the nomination committee members a reasonable period in advance of or as soon as possible before each meeting.
- 3.2.5 The quorum for decisions of the nomination committee shall be any two members one of whom must be an INED.
- 3.2.6 Resolutions of the nomination committee shall be passed by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote.
- 3.2.7 A resolution in writing signed by all the members of the nomination committee shall be as valid and effectual as if it had been passed at a meeting of the nomination committee duly convened and held.
- 3.2.8 Minutes of the committee meetings shall be circulated to all members of the committee.

3.3 Annual General Meeting

- 3.3.1 The chairman of the nomination committee or in his/her absence, another member of the committee, shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the nomination committee's activities and their responsibilities.

4. Roles and Responsibilities

4.1 Chairmanship

The chairman of the committee will be appointed by the board.

4.2 Responsibilities

The committee shall :

- 4.2.1 Review the structure, size and composition of the board, including the skills, knowledge and experience of the board, and consider and advise the board as to any changes that may be required to achieve a balanced and appropriately qualified board and the independence of any present or proposed non-executive directors;
- 4.2.2 Develop plans for orderly succession for appointments to the board and other senior positions, and will search for, consider and make recommendations to the board in relation to the appointment of directors, including the position of chairman;
- 4.2.3 Re-appointment of any non-executive director at the conclusion of his or her specified term of office.
- 4.2.4 Any matters relating to the continuation in office as a director or any director at any time;
- 4.2.5 Prepare suitable job descriptions and letter of appointment in relation to the board and, if appropriate, chairmanship and membership of board committees;
- 4.2.6 Make a statement in the Company's Annual Report and Accounts detailing its activities and the process it has used to make any recommendations in respect of appointments to the board.

4.3 Reporting Responsibilities

- 3.3.2 The committee shall report to the directors its activities as the directors may require from time to time.
- 3.3.3 Minutes shall be kept by the secretary of the committee and shall be open for directors' inspection.

Dated this 10th day of March, 2005