

**GULF KEYSTONE
PETROLEUM LTD.**



DATED: 22 March 2019

GULF KEYSTONE PETROLEUM LTD.

NOMINATION COMMITTEE

TERMS OF REFERENCE

GULF KEYSTONE PETROLEUM LTD.
(Registered in Bermuda with company number: 31165) (the "Company")

NOMINATION COMMITTEE

TERMS OF REFERENCE

1. PURPOSE

1.1 Principal Functions

The Nomination Committee, (the "**Committee**"), is a committee of the board of directors of the Company (the "**Board**"), which is primarily responsible for:

- (a) reviewing the structure, size and composition of the Board and recommending changes;
- (b) considering and recommending succession planning strategy for executive and non-executive directors and key senior management positions;
- (c) identifying and nominating for the approval of the Board candidates to fill Board vacancies or new positions as and when they arise; and
- (d) reviewing the Company's policy on diversity and inclusion and the progress made in achieving the policy's objectives; and
- (e) The Committee will lead an annual evaluation of the performance of the Board, its Committees, the Chairman and the individual directors. The Committee will consider an externally facilitated approach to this at least every three years.

1.2 Reporting

The chairman of the Committee ("**Committee Chairman**") shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its terms of reference.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its terms of reference where action or improvement is required.

The Committee shall produce a report to be included in the Company's annual report about its activities and the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether

it has any connection with the Company.

The report referred to in the paragraph above should include a statement of the board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

The report will also contain a review of how a Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and directors (if relevant), the actions taken, and how it has or will influence Board composition.

2. THE COMMITTEE

2.1 Membership

The Committee shall comprise of at least two directors. A majority of the members of the Committee should be independent non-executive directors of the Company.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Chief Financial Officer, other non-executive directors and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director of the Company. 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 Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

2.2 Secretary

The Company secretary, or his or her nominee, shall act as the secretary of the Committee and will ensure that the Committee receives in a timely manner all information and papers reasonably necessary to enable full and proper consideration to be given to any issues arising from its duties and responsibilities as set out in these terms of reference.

2.3 Quorum

The quorum necessary for the transaction of business shall be three members comprising at least two independent non-executive directors and the Chairman of the Board.

2.4 Role of Members

Committee members will utilise their personal skills, knowledge and judgement to perform the responsibilities set out below.

2.5 Responsibilities

The Committee should carry out the duties below for the Company, major subsidiary undertakings and the group as a whole (the "**Group**"), as appropriate.

The Committee shall:

- (a) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- (b) give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Group, and what skills and expertise are therefore needed on the Board in the future;
- (c) be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- (d) before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity (including gender) 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:
 - (i) use open advertising or the services of external advisers to facilitate the search;
 - (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board including gender, taking

care that appointees have enough time available to devote to the position,

- (e) keep under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- (f) for the appointment of a Chairman of the Board, 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 the chairman's commitments should be reported to the Board as they arise;
- (g) 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;
- (h) review the results of the Board performance evaluation process that relate to the composition of the Board;
- (i) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (j) review annually the time required from non-executive directors of the Company. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and
- (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.

The Committee shall also make recommendations to the Board concerning:

- (l) formulating plans for succession for both executive and non executive directors and in particular for the key roles of chairman and chief executive officer;
- (m) suitable candidates for the role of senior independent director;

- (n) membership of the Audit and Risk, Remuneration, HSSE and CSR, and Technical Committees, and any other committees constituted by the Board, in consultation with the chairmen of those committees;
- (o) 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;
- (p) the re-election by shareholders of any director, 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 and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
- (q) 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 subject to the provisions of the law and their service contract; and
- (r) the appointment of any director to executive or other office.

3. MEETINGS

3.1 Meeting Frequency and Schedule

The Committee shall meet at least twice a year and at such other times as required by the Board.

3.2 Notice of Meetings

Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chairman in accordance with paragraph 3.1.

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.

3.3 Minutes of Meetings

The secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance.

Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once approved, to all other members of the Board, unless a conflict of interest exists or it would be inappropriate to do so.

3.4 Annual General Meeting

The Committee Chairman should attend the annual general meeting to answer any shareholders' questions on Committee's activities.

4. OTHER

The Committee shall:-

- (a) arrange for periodic review 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;
- (b) have access to sufficient resources in order to carry out its duties as set out in these terms of reference, including access to the company secretary for assistance as reasonably required;
- (c) 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; and
- (d) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing Rules, Prospectus and Disclosure and Transparency Rules, all legal and regulatory requirements applicable in Bermuda and any other applicable rules and regulations, as appropriate.

5. AUTHORITY

The Committee is authorised by the Board to investigate any activity or state of affairs within its terms of reference.

Subject to obtaining the prior written consent of an executive director of the Company, the Committee is authorised to obtain expert advice from the Company's auditors or

professional advisers.

The Committee is further authorised to take independent professional advice at the Company's expense, provided that any fees or expenses incurred are reasonable and properly incurred, and to require the attendance of outsiders with relevant experience and expertise if it considers it reasonably necessary.

**These terms of reference were adopted by resolution of the Board passed on:
22 March 2019**