

# North Australian Diamonds Ltd Corporate Governance Policies

## Nomination Committee Charter

### 1. Membership

- 1.1 The Nomination Committee (**Committee**) shall comprise the full Board. The membership of the Nomination Committee will be considered and reviewed as the Company's operations develop.

### 2. Role of the Nomination Committee

The role of the Nomination Committee is to determine the state of director nominees for election to the Board and to identify and recommend candidates to fill casual vacancies.

### 3. Operations

- 3.1 The full Board shall meet as the Committee at least once a year and otherwise as required.
- 3.2 Minutes of all meetings of the Committee are to be kept.
- 3.3 Committee meetings will be governed by the same rules as set out in the Company's constitution, as they apply to meetings of the Board.

### 4. Responsibilities

#### 4.1 Size and Composition of the Board

To ensure that the Board has the appropriate blend of directors with the necessary financial expertise and relevant industry experience, the Committee shall:

- (a) regularly review the size and composition of the Board, and make recommendations to the Board on any appropriate changes;
- (b) develop and plan for identifying, assessing and enhancing director competences and provide advice on the competency levels of directors;
- (c) make recommendations on the appointment and removal of directors; and
- (d) make recommendations on whether any directors whose term of office is due to expire should be nominated for re-election.

#### 4.2 Selection Process of new Directors

- (a) The Committee shall develop criteria for the selection of the candidates to the Board in the context of the Board's existing composition and structure.
- (b) The Committee is empowered to engage external consultants in its search for a new director.
- (c) The initial appointment of a new director is made by the Board, who will be required to stand for re-election at the Company's next Annual General Meeting.

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### 4.3 Performance Appraisal Competency

The Committee shall:

- (a) establish evaluation methods of rating the performance of Board members;
- (b) implement ways of enhancing the competency levels of directors;
- (c) consider and articulate the time required by Board members in discharging their duties efficiently;
- (d) undertake continual assessment of directors as to whether they have devoted sufficient time in fulfilling their duties as directors;
- (e) provide new directors with an induction into the Company; and
- (f) provide all directors with access to ongoing education relevant to their position in the Company.

**Adopted: 5 November 2007**