

Governance and Nomination Committee Charter

July 2008

Document No. **CORP-GOV-CHRT-G-0002**

Rev No. **0**

1 of 4

Once printed this document becomes uncontrolled.
Refer to Clough Intranet for controlled copy.

Projecting the Future



Contents

1	Composition and Meetings.....	3
2	Role	3
3	Duties and Responsibilities.....	3
3.1	Nomination.....	3
3.2	Governance.....	3
4	Selection Process of new Directors	4
5	Authority and Resources.....	4
6	Charter Review	4

The Governance and Nomination Committee operates under the delegated authority of the Board and has the composition, responsibility, authority and specific duties set out below.

1 Composition and Meetings

The Committee will be comprised of three or more non-executive directors, the majority of whom will be independent. The Committee will be chaired by the Chair of the Board. The composition of the Committee will be determined by the Board.

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, other than in relation to quorum. For the purpose of this committee two members shall constitute a quorum. Membership of the Committee will be reviewed annually by the Board and listed in the annual report to shareholders.

All other directors are entitled to attend meetings of the Committee. The Committee may also invite any other person to attend all or part of a meeting.

The committee will meet at least once a year and at additional times as required to fulfil its duties and responsibilities.

2 Role

The role of the Board Governance and Nomination Committee is to effectively examine the selection and appointment practices of the Company and to oversee the governance functions of the Board, although the Board retains ultimate responsibility for these practices. The Committee has no Board decision making authority but will report to the Board on the following matters.

3 Duties and Responsibilities

3.1 Nomination

- Advise the Chair and the Board on issues related to the engagement, remuneration and duration of appointment of existing and new directors
- Monitor Board membership to ensure an appropriate mix of skills and experience to continue to meet the needs of the Company
- Identify the need for new/different Directors and develop criteria for selection of directors to meet these needs, as required
- Make recommendations on the appointment and removal of directors
- Make recommendations on whether any directors whose term of office is due to expire should be nominated for re-election
- Regularly review the time required from non-executive directors and whether non-executive directors are meeting that requirement
- Develop an induction programme for new directors
- Ensure appropriate procedures are in place for assessing the effectiveness of the Board, the Board Committees and each non-executive director
- Oversee management succession plans, including the Chief Executive Officer and his direct reports.

3.2 Governance

- Develop and recommend to the Board an appropriate *Corporate Governance Statement* and *Board Charter* for inclusion in the Company's Annual Report
- Remain abreast of best practise in the field of Corporate Governance
- Ensure processes are in place in the Company to satisfy the requirements of acceptable Corporate Governance
- Advise the Board on areas where adjustment to the Company processes and/or Board Composition and/or operating procedures appears warranted

Once printed this document becomes uncontrolled. Refer to Clough Intranet for controlled copy.

- At least annually, report to the Board on compliance with the Corporate Governance statement.

4 Selection Process of new Directors

The Committee shall review the Company's *Policy for Selection and Appointment of Directors*. Such procedure should be transparent to promote investor understanding and confidence in the process.

The initial appointment of a new director is made by the Board. The new director will be required to stand for election at the Company's next general meeting.

5 Authority and Resources

The Company is to provide the Committee with sufficient resources to undertake its duties. The Committee has the authority, as it deems necessary or appropriate, to access advice from external consultants or specialists.

6 Charter Review

The Committee will review this Charter regularly and update as required.