



13. Statement of Selection, Appointment and Re-Election of Directors

1. Responsibility for Selection

The Nominations Committee is responsible for evaluating Board candidates and recommending individuals for Board appointment as a director.

2. Selection Criteria

New Board members will be sought who possess the particular skills, experience, expertise and diversity that will best complement Board effectiveness at the time. In its evaluation of candidates for the Board, the Nominations Committee will have regard to normally accepted nomination criteria, including:

- honesty and integrity;
- the ability to exercise sound business judgement;
- appropriate experience and professional qualifications;
- absence of conflicts of interest or other legal impediments to serving on the Board;
- willingness to devote the required time; and
- availability to attend Board and Committee meetings.

In considering overall Board balance, the Nominations Committee will give due consideration to the value of a diversity of backgrounds and experiences among the members, and to having some of the Directors based in the centres of operation of Pantoro. The Board may engage an independent recruitment firm to undertake a search for suitable candidates.

3. Prior to Appointment

Prior to appointment, preferred candidates:

- are required to be available to meet with members of the Board;
- must disclose the nature and extent of other appointments and activities; and
- must demonstrate that they understand what is expected of them and confirm that they are willing to make the necessary commitments, and will have available the time required, to discharge their responsibilities.

4. Letters of Appointment

New directors are required to sign and return a letter of appointment which sets out the key terms and conditions of appointment, including duties, rights and responsibilities, the time commitment envisaged and the Board's expectation regarding their involvement with committee work.

5. Induction

Induction training is provided to all new directors.

6. Directors' Deeds

Each director is required to enter into a Directors' Deed which (among other things) provides the director with certain indemnities and rights of access to Pantoro information following retirement.

7. Appointment

Directors appointed by the Board must retire at the next Annual General Meeting, at which time they may stand for election by shareholders.

Directors (excluding the Managing Director) are elected by the shareholders for a three year term.

8. Re-election

A director may not stand for re-election except with the recommendation of the Board or otherwise in accordance with the procedure prescribed by Pantoro's Constitution. Board support for a director's re-election is not automatic and is subject to satisfactory director performance (in accordance with Pantoro's director evaluation process). The Board consults annually with the Chairman of the Board on the performance of those Board members presenting themselves for re-election at the next AGM.