

Terms of Reference – Nomination Committee

(Approved by the 2019 Annual General Meeting on 29 April 2019)

1. Composition

The Committee Chair and the other members of the Nomination Committee (**Committee**) shall be appointed by the Annual General Meeting (**AGM**) of Polarcus Limited (**Company**).

Prior to the following year's AGM, the Committee shall recommend candidates to sit on the Committee for approval at the AGM.

All Committee members shall be independent of the executive management and at least a majority shall be independent of the Company's Board of Directors (**Board**). The Committee may include one Board member to ensure that the Company's position and situation is sufficiently communicated, understood and considered by the Committee and that the Board is appropriately informed on the Board's work. However, any such member should be an independent director of the Board.

The chairman of the Board or members of the Company's executive team should not be part of the Committee. Committee members should be recommended on the basis of their ability to take into account the interests of shareholders in general.

The Committee will propose the term for the new Committee which will be subject to the approval of the AGM.

2. Quorum

All members of the Committee must be present to form a quorum. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

3. Meetings

The Committee shall meet as often as it deems appropriate and necessary, but at least once annually. The meetings can take place either in the form of physical meetings or phone conferences. The Chairman of the Committee will consult with the Chairman of the Board and the CEO before the Committee submits its final recommendation.

4. Notice Of Meetings

Meetings of the Committee shall be convened by the Committee Chair at the request of any member thereof or by the Chairman of the Board.

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 by the Committee Chair to each member of the Committee and any other person required to attend, in reasonable time prior to the date of the meeting.

5. Minutes Of The Meetings

Minutes shall be taken of the proceedings and resolutions of all Committee meetings, including the names of those present shall be circulated to all members of the Committee. The Committee

Chairman shall provide the Company with an annual statement of the number of Committee meetings held.

6. Duties And Authorities

The duties of the Committee are to evaluate and submit a recommendation to the AGM on the following matters:

- Nominees for election as members and possibly deputy members of the Board and the chairman of the Board;
- Nominees for election as members of the Committee and the term for such members;
- The proposed remuneration of the Board and the members of the Committee; and
- Any proposed amendments to the Committee's Terms of Reference.
- The Committee shall pay particular attention to the following principles when carrying out its work:
 - The Committee shall operate in accordance with common accepted principles for committee work.
 - The Committee shall in each meeting have access to a register of the Company's shareholders.
 - The Committee shall consider the size and composition of the Board and the Committee and make recommendations to the AGM for changes in the size of the Board and/or Committee as appropriate.
 - The Committee shall entertain appropriate contact and dialogue with shareholders, members of the Board, the Company's management and external advisors and CEO to fully understand the Company's development and challenges.
 - The Committee shall take steps to ensure that shareholders have an opportunity to propose candidates for the Board and the Committee including via the Company website and communicate any deadlines for proposing candidates.
 - The Committee shall attach weight to whether the proposed candidates have the necessary qualifications to serve as directors of the Company. In assessing the qualifications of prospective members of the Board and the Committee, the Committee shall consider each prospective member's personal and professional integrity, experience, skills, ability and willingness to devote the time and effort necessary to be an effective director or Committee member, and commitment to acting in the best interests of the Company and its shareholders. Consideration shall also be given such that the Board and the Committee will have an appropriate mix of backgrounds and skills.
 - The recommendations must at all times satisfy the requirements relating to the composition of the Board and the Committee laid down in applicable legislation and the regulations of any stock exchanges on which the Company's shares are listed. The recommendations shall also take account of guidance relating to the composition of the Board and of the Committee contained in the Norwegian Code of Practice for Corporate Governance, the Company's corporate governance commitments and any other relevant guidance relating to good corporate governance.
 - The Committee shall give emphasis to ensuring reasonable representation in terms of gender and background, and to the independence of members of the Board and the Committee in relation to the Company.
 - The Committee will be mindful to avoid the Board comprising an aggregate number of directors who are citizens or resident of any particular nation which may cause uncompetitive regulatory or fiscal consequences to the Company.
 - The Committee shall review comparable practice data regarding remuneration in order to make a qualified recommendation to the AGM with respect to the amount and form of remuneration to members of the Board and of the Committee.

- The Committee encourages all Directors to become shareholders in the Company.
- The Committee shall review the Board's self-assessment.
- Candidates proposed by the Committee must have confirmed their willingness to take on the office for which they have been proposed.
- The Committee must justify separately why it is proposing each candidate for the Board and for the Committee and provide relevant information about how its recommendation take into account the interests of shareholders in general and the Company's requirements. The justification shall include information on each candidate, such as age, education, competence including business experience, capacity and independence including assignments for the Company and assignments for other companies/organizations. If the Committee recommends the re-election of a member of the Board or of the Committee, the justification should also provide information on how long the candidate has been a member of the Board or of the Committee.
- In the event of there being no majority vote for or against putting forward a candidate's nomination to the AGM, the Chairman shall have a casting vote. Any dissenting votes must be stated in the recommendation.
- A member of the Nomination Committee who is also a member of the Board shall not vote with respect to their own nomination for re-election to the Board or any other matter in respect of which they have a conflict of interest.

7. Reporting/Recommendations

The Committee's recommendation to the AGM relating to the election of members and possibly deputy members of the Board and election of members to the Committee should be available early enough to be sent to the shareholders together with the notice of the AGM. The report shall be made public at the same time, so that shareholders have an opportunity to submit their views on the recommendation to the Committee.

The Committee shall present its report to the Board as soon as practicable and in normal circumstances in advance of the publication of the AGM Notice.

The Committee Chair, or a person authorised by him/her, will be available to answer questions regarding the Committee's recommendations to the AGM and provide additional information, if necessary, on the Committee's work.

The Committee shall annually review the terms of reference for the Committee and recommend any changes to the AGM for approval.

8. Remuneration

The AGM stipulates the remuneration to be paid to the Committee, if any. The Committee's expenses will be covered by the Company.