

Selection and appointment of new Directors, criteria for assessing independence and performance evaluation of the Board.

Selection and Appointment of new Directors

The Board believes that its membership should comprise directors with a balance of skills, experience and personal attributes that allow the directors individually and the Board collectively to:

- discharge their duties and responsibilities efficiently and effectively;
- understand the Company's business and the environment in which it operates so as to be able to agree with management, the objectives, goals and strategic direction to maximise shareholder value; and
- assess the performance of management in meeting those objectives.

The full Board is responsible for board membership. Board membership is reviewed annually by the Nomination Committee to ensure the Board has an appropriate mix of qualifications, skills and experience. External advisers may be used to assist in this process. Candidates are appointed by the Board and must stand for election at the next general meeting of shareholders. At this time, independent directors are requested to confirm their continuing status as an independent director and undertake to inform the Board as soon as practicable if they think that their status as an independent director has or may have changed. The Nomination Committee reviews appointment criteria from time to time and makes recommendations concerning the re-election of any Director by shareholders.

The nomination committee's policy for the appointment of directors

The purpose of this policy is to ensure all new directors are thoroughly assessed and appointed in order that the Board continues to have an effective composition, size and commitment to adequately discharge its responsibilities and duties.

The Nomination Committee has the responsibility for identifying and selecting director nominees.

The criteria used in identifying potential directors are outlined below:

- The board is to comprise, where possible, a majority of individuals who qualify as unrelated or independent directors.
- Prospective director nominees must fully understand the role of the board and the contribution they would be expected to make, including the time commitment and contribution required should they also be appointed to a committee of the board.
- Prospective director nominees must demonstrate high ethical standards and integrity in their personal and professional dealings, and be willing to act on and remain accountable for their board room decisions.
- Prospective director nominees must have a reputation and standing in the market place. A history of achievements that reflects high standards for themselves and others.

- Informed judgments – Must have the ability to provide wise and thoughtful counsel on a broad range of issues.
- Financial literacy – Must have a high level of financial literacy. Must know how to read financial statements and should understand the use of financial ratios and other indices for evaluating company performance.
- Mature confidence – Should be able to value board and team performance over individual performance. Has the ability to communicate persuasively. Must approach others assertively, responsibly and supportively, and be willing to raise tough questions in a manner that encourages open discussions.
- Details of other commitments must be taken into account for all director nominees.

Criteria for assessing independence

Directors are considered to be independent if they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment. Materiality is assessed on a case-by-case basis by reference to each director's individual circumstances rather than general materiality thresholds.

In assessing independence, the Board considers whether the Director has a business or other relationship with the Company, either directly or as a partner, shareholder or officer of a company or other entity that has an interest, or a business or other relationship, with the Company or another Mariner group member. The Board does not consider that the existence of any family ties between Directors compromises the independence of directors.

Performance evaluation of the Board

The process for conducting the board's annual performance review was agreed by the Board and consists of the Chairman conducting individual interviews with each of the Non-executive Directors. The interview covers matters, including:

- the Board's contribution to developing strategy and policy;
- interaction between the board and management and between Board members;
- the Board's processes to monitor business performance and compliance, control risk and evaluate management;
- Board composition and structure; and
- The operation of the Board, including the conduct of Board meetings, Board committee meetings and group behaviours.

The Managing Director and Executive Chairman also present, annually, a self-assessment to the Non-executive Directors, who formally review their performance. The presentation includes financial performance, prudential performance, business environment, human relations and staff and other achievements.