

**GUIDELINES FOR  
THE NOMINATION COMMITTEE OF S.D. STANDARD DRILLING PLC**

*Adopted by the general meeting of S.D. Standard Drilling Plc on 23 May 2012.*

**1. APPOINTMENT OF NOMINATION COMMITTEE**

The annual General Meeting elects the members of the Nomination Committee. If the General Meeting has not designated the Chairperson of the Committee, such Chairperson shall be appointed by the Nomination Committee.

The Nomination Committee shall itself prepare its own appointment and propose candidates for appointment to the Nomination Committee.

**2. COMPOSITION OF THE NOMINATION COMMITTEE**

The composition of the Nomination Committee shall reflect the interests of the shareholders in general. The majority of the members of the Nomination Committee shall be independent from the Board of Directors and other executive personnel. No more than one member of the Nomination Committee may be a Director, and such member should not be a candidate for reappointment as a Director while serving on the Nomination Committee. The CEO and other executive personnel shall not be members of the Committee.

**3. NUMBER OF MEMBERS**

The Nomination Committee should have no less than two members.

**4. TERM OF APPOINTMENT**

The members of the Nomination Committee shall be appointed for a term of two years, unless otherwise determined by the General Meeting.

**5. FEE**

The fee of the Nomination Committee shall be determined by the General Meeting on the basis of proposals from the Nomination Committee, and shall reflect the character of its duties and the time commitment involved.

**6. THE DUTIES OF THE NOMINATION COMMITTEE**

The Chairperson of the Nomination Committee has overall responsibility for the work of the Committee.

The Nomination Committee shall propose candidates for appointment as Directors and as members of the Nomination Committee, as well as fees for the Directors and the members of the Nomination Committee.

The proposals of the Nomination Committee shall relate to the appointment of directors either in place of the ones retiring in accordance with the Articles or as additional directors up to the maximum allowed by the Articles and the General Meeting. The Nomination Committee may, if it deems appropriate, nominate for re-election a retiring director.

The Nomination Committee shall also make proposals to the Board of Directors, and the Board shall consider such proposals, when the Board intends to appoint new directors in accordance with regulation 102 either to fill a casual vacancy or as an addition to the existing directors.

The proposal submitted to the General Meeting by the Nomination Committee shall also provide a report on how it has carried out its work.

The Nomination Committee shall ensure that it has access to the knowhow and expertise necessary to execute the duties of the Committee.

The Nomination Committee shall have the right to draw on resources within the Company, as well as to obtain advice and recommendations from sources outside the Company.

The Nomination Committee shall monitor the need for changes to the composition of the Board of Directors and the Nomination Committee, and shall approach various shareholders, Directors and executive personnel. An evaluation of the work performed by the Board of Directors throughout the year should be specifically deliberated the Nomination Committee.

The Nomination Committee should conduct active searches amongst the shareholders as part of its work, and its proposal should be endorsed by the largest shareholders.

The reasoned proposal of the Nomination Committees should, to the extent possible, be made available by the time limit for convening the General Meeting. The proposal should include relevant information about the candidates for appointment as Directors, about the composition of the Board of Directors. The proposals should include information about the qualifications, capacities and independence of the candidates. Information about candidates for directorships should include their age, education and professional background. It should be specified for how long they have served as directors of the Company, together with any other assignments for the Company and any material assignments for other companies and organisations. In the event of a proposal of re-election, the recommendation may refer to information already provided in the annual report.

Information about any time limits for submitting suggestions for appointment as Directors or members of the Nomination Committee shall be posted well ahead of time on the Company's website.