

SOMERO ENTERPRISES, INC.

NOMINATION COMMITTEE - TERMS OF REFERENCE

1. CONSTITUTION

The nomination committee (the "**Committee**") was constituted at a full meeting of the board of directors of the Company ("**Board**") held on 21 December 2016 under these terms of reference in accordance with the Company's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws (the "Organizational Documents").

2. MEMBERSHIP

2.1 The members of the Committee shall be appointed from time to time by the Board in consultation with the chairman of the Committee. The Committee shall be made up of at least three members, all whom shall be independent non-executive directors. The Board shall appoint the chairperson of the Committee who shall be an independent non-executive director and who may be the Chairman of the Board. In the absence of the Chairman of the Committee the remaining members shall elect one of their number to chair such meeting.

2.2 Except as otherwise determined by the Board, appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of three years provided the member still meets the criteria for the membership of the committee.

2.3 A quorum shall be any two members of the Committee.

3. DUTIES AND TERMS OF REFERENCE

3.1 The Committee shall:

- (a) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and make recommendations to the board with regard to any changes;
- (b) consider succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the board in the future;
- (c) be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise;
- (d) before appointment is made by the board, evaluate the balance of skills, knowledge, experience and diversity on the board, and prepare a description of the role and capabilities required for a particular appointment;

for the appointment of a chairperson, the committee should prepare a job specification, including the time commitment expected. A proposed chairperson's other significant commitments should be disclosed to the board before appointment and any changes to the chairperson's commitments should be reported to the board as they arise;

- (e) prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- (f) keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- (g) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (h) review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- (i) ensure that on appointment to the board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service, direct financial interest in the Company, and involvement outside board meetings; and
- (j) work and liaise as necessary with other board committees.

3.2 The Committee shall also make recommendations to the board concerning:

- (a) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairperson and CEO;
- (b) suitable candidates for the role of senior independent director;
- (c) membership of the Audit Committee and Remuneration Committee, and any other board committees as appropriate, in consultation with the chairperson of each of those committees;
- (d) the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;
- (e) the re-election by shareholders of any director under Section 3.2 of the bylaws within the Company's Organizational Documents or under re-election principles set out in the UK Corporate Governance Code having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board;

- (f) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and
- (g) the appointment of any director to executive or other office.

3.3 To consider such other matters as may be requested by the board of directors.

4. VOTING ARRANGEMENTS

4.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.

4.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

4.3 Save where he has a personal interest, the chairperson will have a casting vote.

5. ATTENDANCE AT MEETINGS

5.1 The Committee will meet at least once a year. The Committee may meet at other times during the year as agreed between the members of the Committee or as otherwise requested.

5.2 Only members of the Committee have the right to attend Committee meetings but other directors and persons (such as the head of human resources) and external advisers may be invited to attend all or part of any meeting as and when appropriate.

5.3 The Company Secretary or his or her nominee shall be the secretary of the Committee.

6. NOTICE OF MEETINGS

6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend and all other non-executive directors no later than five working days before the date of the meeting.

Any supporting papers shall be sent to each member of the Committee and other attendees (as appropriate) at the same time.

7. AUTHORITY

The Committee is authorised by the board of directors to examine any activity within its terms of reference and is authorised to obtain, at the Company's expense, professional advice on any matter within its terms of reference. 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. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

8. REPORTING

8.1 The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance, shall be minuted by the Company Secretary. Draft minutes of each meeting will be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be submitted to the board of directors as a formal record of the decisions of the Committee on behalf of the board of directors unless it would be inappropriate to do so.

8.2 The chairperson of the Committee shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.

8.3 The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

8.4 The Committee shall produce a report to be included (if required) in the Company's annual report about its activities. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company. The report should include a statement of the board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy and progress on achieving objectives.

9. GENERAL MATTERS

9.1 The chairperson of the Committee (or other Committee member or Board member nominated by the chairperson) should make himself available at each annual general meeting of the Company to answer questions concerning the Committee's work.

9.2 The Committee shall undertake periodic review of its own performance and recommend any changes it considers necessary to the Board for approval.

- 9.3 The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 9.4 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
- 9.5 The Committee shall give due consideration to all laws and regulations as appropriate.