

FIRESTONE DIAMONDS PLC
(the *Company*)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

Approved by the Board of the Company on 17 July 2012

1. Membership

1.1 Members of the Nomination Committee (the *Committee*) shall be appointed by the Board of Directors (the *Board*). The Committee shall be made up of least two members, the majority of whom should be non-executive directors.

1.2 The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or a non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their numbers to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

2. Secretary

2.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

3. Quorum

3.1 The quorum necessary for the transaction of business shall be shall be any two members present throughout the meeting.

4. Frequency of Meetings

4.1 The Committee shall meet at least once a year and at such times as the Chairman of the Committee shall require.

5. Attendance at Meetings

5.1 No one other than the Nomination Committee Chairman and members are entitled to attend or vote at a meeting of the Nomination Committee.

5.2 Other individuals such as the Chairman of the Company, chief executive, members of senior management and external advisers may be invited to attend by the Committee Chairman for all or part of any meeting as and when appropriate.

6. Notice of Meetings

6.1 Notice of meetings may be given in writing, by email or verbally the the Secretary or their nominee at the request of any of its members.

6.2 Unless otherwise agreed, notice of each meeting , together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee and any other person required to attend, in advance of the meeting.

7. Minutes of Meetings

7.1 The Secretary or their nominee shall minute the proceedings and resolutions of all Committee meetings.

7.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board.

8. Annual General Meeting

8.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee’s activities.

9. Duties

The Committee shall:

9.1. regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;

9.2 give full consideration to 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;

9.3 be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;

9.4 before appointment is made by the board, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee, where appropriate, shall:

9.4.1 use open advertising or the services of external advisers to facilitate the search;

9.4.2 consider candidates on merit and against objective criteria, and with due regard for the benefits of diversity of the board, taking care that appointees have enough time available to devote to the position;

9.7 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 and involvement outside board meetings.

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

- 9.9 The Committee shall also make recommendations to the Board concerning:
- 9.9.1 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;
 - 9.9.2 if it is agreed by the Board to appoint a senior independent director suitable candidates for this role ;
 - 9.9.3 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;
 - 9.9.4 the re-election by shareholders of any director 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;

10. Reporting Responsibilities

- 10.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

11. Other

- 11.1 The Committee shall, have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 11.2 The Committee shall, give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code, QCA Corporate Governance Guidelines for AIM companies and the London Stock Exchange's rules for AIM companies and associated guidance as appropriate.

12. Authority

- 12.1 The Committee is authorised to seek any information it requires from any employee of the company in order to perform its duties.
- 12.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.