



Nomination and Appointment of Directors Policy

1. Introduction

ROC is committed to best practice corporate governance in relation to the composition of the Board. This requires ROC to have a board of an effective composition, size, and commitment to adequately discharge its responsibilities and duties. To achieve this, the Board recognises the need to have a formal and transparent procedure for the selection, appointment, and reappointment of directors to the Board.

2. Purpose of the Nomination and Appointment of Directors Policy

The Board has adopted this policy to provide guidelines in relation to:

- Procedure for the nomination of directors
- Suitability criteria for ROC directors
- Competencies for ROC directors
- Selection and appointment process
- Reporting on Nomination and Appointment of Director Policy in the Annual Report.

3. Procedure for the Nomination of Directors

ROC's constitution and the ASX Listing Rules set out processes for the nomination of directors. In addition to these requirements the Nomination Committee will, at least annually, review the size and composition of the Board to ensure that it continues to have the right mix of experience and competencies to fulfil its responsibilities effectively and taking into account the ROC Independence of Directors Policy and the ROC Diversity Policy.

4. Suitability Criteria for ROC Directors

In considering candidates for Board positions, the Board or the Nomination Committee must take into account the following:

- the extent to which the candidate meets the competencies for a ROC director outlined in this policy;
- the time commitment required to effectively discharge the duties to the company balanced with the number of existing directorships and other commitments that may demand the attention of the candidate;
- any actual or perceived conflicts of interest;
- the ROC Independence of Directors Policy; and
- the ROC Diversity Policy.

5. Competencies for ROC Directors

The following broad categories have been identified as desirable competencies for ROC directors:

- general competence in business including recognised business and entrepreneurial skills;
- industry knowledge and experience or the ability to acquire that knowledge;
- financial literacy;
- ability to analyse information, think strategically, review and challenge management in order to make informed decisions and assess performance;
- professional and personal integrity;
- good communication skills; and
- ability to work harmoniously with fellow directors and management;

6. Selection and Appointment Process

The following process will apply to the selection and appointment of new directors:

- In undertaking its annual review of the Board, the Nomination Committee or the Board as the case may be will determine if a director should be appointed to the Board either as an additional director or to fill a vacancy.
- External consultants may be retained to assist in the identification and selection of candidates in accordance with this policy.
- A candidate's suitability will be measured against the suitability criteria set out in this policy.
- A candidate selected by the Board or Nomination Committee will be approached by the Chairman to determine their interest in joining the Board.
- The candidate will be given information about the role, responsibility, contribution and time commitment the appointment will involve and the remuneration, terms and conditions of the appointment.
- A candidate for appointment as a non executive director must indicate that they have sufficient time to devote to the tasks the appointment will involve.
- If the candidate accepts an appointment the Board will appoint the new director during the year, and in accordance with the constitution and the ASX Listing Rules, that person will then stand for election by shareholders at the next annual general meeting.
- Prior to the meeting, shareholders will be given the information required by law to consider the candidate for election.

7. Briefing New Directors

On appointment non executive directors will be provided with information and, where applicable, briefings on the Company. The Chairman and the Company Secretary will be responsible for liaising and preparing the necessary information and briefings for all

new directors following, where applicable, the Outline of New Director Induction set out in Annexure 1 to this Nomination and Appointment of Directors Policy.

8. Reporting on Nomination and Appointment of Directors in the Annual Report

The Board will make appropriate disclosure regarding the nomination and appointment of directors in ROC's Annual Report in accordance with the ASX Corporate Governance Principles and Recommendations.

This Nomination and Appointment of Directors Policy is available on ROC's website www.rocoil.com.au

Approved by the Board on 8 April 2004. Updated on 25 January 2012.

Annexure 1 to Nomination and Appointment of Directors Policy

Outline of New Director Induction

An induction program will be developed for all new directors. The induction program will, where applicable, include a series of meetings and introductions with relevant individuals. All new directors will be provided with an information pack containing relevant information on the Company as outlined below. The following individuals will be responsible for preparing a relevant information pack and/or conducting a briefing addressing the following matters:

Chairman

- Role of the board and governance expectations
- Board meeting and expectations of contribution
- How board processes function
- Board Committees and their respective roles
- Director and board evaluation processes
- Copies of past board papers (past 6 months)

Chief Executive Officer

- Background and structure of the Company
- Outline of operations
- Current goals and strategies – copy of current strategic plan
- Business and management systems
- Introduce key members of senior management and explain role in Company

Chief Financial Officer

- Company's financial structure and reporting format
- Past financial performance and current performance
- Assets and relevant performance of assets

General Manager – Corporate Affairs and Planning

- Industry background briefing
- Recent competitor analysis

Company Secretary

- Board schedule
- Copies of Constitution and corporate governance documents
- Briefing on corporate governance expectations: what is in corporate governance documents and in particular in board and committee charters