

**CARNEGIE WAVE ENERGY LIMITED**  
**POLICY AND PROCEDURE FOR SELECTION AND APPOINTMENT**  
**OF NEW DIRECTORS**

Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within Carnegie Wave Energy's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by shareholders at the next general meeting.