

Charter

Nominations Committee

Approver (owner)	Board
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1 Purpose of this Charter

The Board of Directors (the **Board**) of **nbn co limited (nbn)** has formed the Nominations Committee (the **Committee**) to assist it in fulfilling its governance responsibilities in relation to the appointment, induction, independence and ongoing assessment of the skills and experience of Directors; Board composition; CEO recruitment; succession planning for Directors, the CEO¹ and members of **nbn's** Executive Committee and, evaluating the performance of the Board, its Committees and Directors².

The Committee has adopted this Charter, following consultation with the Board, to describe the role, responsibilities and powers of the Committee and outline the manner in which they will be exercised and discharged. This Charter provides a framework within which the Committee will operate and should be read in conjunction with **nbn's** Board Charter which outlines matters standard to each Board committee such as access to information and performance review. A reference in this Charter to '**nbn**' includes its subsidiaries from time to time.

2 Role of the Committee³

The role of the Committee is to assist the Board in fulfilling its governance responsibilities with a view to ensuring:

- a. the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively
- b. appropriate Director and CEO succession plans are maintained and that, in respect of the CEO, an annual assurance on these succession plans is provided to the Shareholder Ministers⁴
- c. appropriate support is provided by the Board to the Shareholder Ministers as part of the process for the recruitment and appointment of new Directors and a CEO
- d. newly appointed Directors are afforded an appropriate induction process and that an annual review of the content and appropriateness of the induction process is undertaken⁵
- e. an assessment of the performance of the Board, its Committees and the Directors is undertaken annually.

The Committee will comply with the Commonwealth Government Business Enterprise Governance and Oversight Guidelines as amended from time to time (**GBE Guidelines**).⁶

¹ cls 2.8, 2.10 and 2.11 of the Commonwealth Government Business Enterprise Governance and Oversight Guidelines (January 2018) (GBE Guidelines)

² cl 2.21 of the GBE Guidelines

³ s 198D Corporations Act

⁴ cl 2.12 of the GBE Guidelines

⁵ cl 2.20 of the GBE Guidelines

⁶ GBE Guidelines (January 2018).



3 Conflicts of Interest

This section should be read in conjunction with the Conflicts of Interest subsection of the Board Code of Conduct detailed in **nbn's** Board Charter and **nbn's** Conflicts of Interest - Directors and Officers Policy.

At the beginning of each Committee meeting, members are required to declare any material personal interests that may apply to specific matters on the meeting agenda. Where required by the Chair, the member will be excused from the meeting or from the Committee's consideration of the relevant agenda item(s). The Chair is also responsible for deciding if he/she should excuse themselves from the meeting or from the Committee's consideration of the relevant agenda item(s). Details of material personal interests declared by the Chair and other members, and actions taken, will be appropriately recorded in the minutes of the Committee meeting at which they are disclosed. Where a disclosure is made outside a Committee meeting, such disclosure will be recorded in the minutes of the next Committee meeting.⁷

Committee members should consider past employment, consultancy arrangements and related party issues in making a declaration. The Committee, in consultation with the Chair, should be satisfied there are sufficient processes in place to manage any real or perceived conflict.

4 Responsibilities of the Committee

In relation to Board skills and experience, composition, membership and succession planning for Directors and, recruitment and succession planning for the CEO, the Committee has the following responsibilities:

4.1 Directors skills matrix

- a. ensuring the appropriate skills and experience required by the Board are reflected in the skills matrix; and
- b. ensuring each Director reviews and updates the skills matrix at least annually
- c. reviewing the skills matrix at least annually.

4.2 Independence of Directors

At least annually and when a Director is being considered for reappointment, assessing the independence of each Director⁸ by:

- a. securing from Directors, through the Company Secretary, a Declaration of Private Interests (or equivalent declaration)
- b. reviewing each Director's declaration and any other information available in relation to the Director's interests in order to make an informed decision as to the independence or otherwise of that Director
- c. ensuring the Board's final conclusions regarding Director independence and any other relevant information are included in the disclosures made in **nbn's** Annual Report.

⁷ **nbn** Conflicts of Interest - Directors and Officers Policy

⁸ Recommendations 2.3 and 2.4 of the ASX Corporate Governance Principles and Recommendations (3rd Edition)



4.3 Appointment of a Director to the Board

- a. regularly assessing the Board's composition in respect of each Director's skills, experience and tenure, as part of regular succession planning
- b. identifying potential candidates taking into account the requirements of the GBE Guidelines⁹;
- c. provide the Shareholder Ministers (through the Chairman) with a shortlist of candidates for appointment to the Board to supplement or replace existing Directors.¹⁰

4.4 Board renewal

- a. developing and reviewing succession plans for Directors, which take into account the tenure and likely composition of the Board at a given point in time, **nbn's** strategic direction, performance and financial position and, the diversity aspirations of the Board;
- b. considering total service periods in line with the GBE Guidelines;¹¹
- c. developing and reviewing an annual Board plan¹² which includes:
 - i. the medium term aims in relation to Board composition, taking into account the strategic objectives of **nbn**;
 - ii. a forecast of likely board vacancies; and
 - iii. an assessment of the skill and diversity requirements for the Board in the context of the strategic requirements of **nbn** and Government policy objectives regarding diversity in Board composition.¹³

4.5 CEO succession planning and list of candidates for CEO to the Board

- a. developing and reviewing a CEO succession plan, including assisting the Board to provide an annual assurance to the Shareholder Ministers that the plan has been implemented and maintained¹⁴; and

⁹ cl 2.8 of the GBE Guidelines

¹⁰ cl 2.9(b)(i) of the GBE Guidelines.

¹¹ cl 2.14 of the GBE Guidelines.

¹² cl 2.9(a) of the GBE Guidelines.

¹³ Recommendation 2.2 of the ASX Corporate Governance Principles and Recommendations (3rd Edition).

¹⁴ cl 2.12 of the GBE Guidelines.



- b. providing the Shareholder Ministers (through the Chairman) the Board's preferred candidate/s for the position of CEO¹⁵ to replace the then current CEO in the event of a vacancy, such candidate/s may be identified from within **nbn** and/or through public advertising or executive search processes.

4.6 Executive succession planning

Ensuring the CEO has in place succession plans relating to the members of **nbn**'s Executive Committee¹⁶.

4.7 Induction for Directors

Annually reviewing the induction program for new Directors in consultation with **nbn**'s Shareholder Departments¹⁷.

4.8 Performance Evaluation

Developing a process for the evaluation of the performance of the Board, its Committees and individual Directors in accordance with the GBE Guidelines¹⁸.

4.9 Other

The Committee will consider any other matters referred to the Committee by the Board.

5 Authority of the Committee

5.1 Delegation of Authority to a Sub-Committee

The Committee may delegate authority to a working group or sub-committee comprised of one or more members of the Committee. Any such working group or sub-committee shall have the full power and authority of the Committee, subject to the terms of its delegated authority.

5.2 Decisions

All decisions of the Committee shall be referred to the Board for approval, other than:

- a. reviewing the Directors skills matrix;
- b. developing and reviewing Board succession plans for Directors and the CEO including any assurances to be provided to the Shareholder Ministers; and
- c. reviewing the induction program for new Directors,

¹⁵ cl 2.9(b)(v) of the GBE Guidelines.

¹⁶ Recommendation 2.1 of the ASX Corporate Governance Principles and Recommendations (3rd Edition).

¹⁷ cl 2.20 of the GBE Guidelines

¹⁸ cl 2.21 of the GBE Guidelines



which, following approval by the Committee, shall be referred to the Board for noting.

5.3 Reporting to the Board

The Committee will regularly update the Board about its activities and make appropriate recommendations to the Board. The Chair of the Committee will report to the Board, at the Board meeting next following a meeting of that Committee, on any matters under consideration.

5.4 Access to Information

The Committee may obtain information, interview management and seek advice from external consultants as it considers necessary or appropriate to enable it to properly discharge its responsibilities.

5.5 Resources

nbn will provide the Committee with the necessary resources for payment of:

- a. any professional or other advisers it engages to assist it in the discharge of its responsibilities; and
- b. the administrative expenses incurred in carrying out its duties.

6 Membership¹⁹

6.1 Term of appointment

Subject to Section 6.4, Committee members are appointed for a term that coincides with the member's term of appointment as a Director or any lesser period that coincides with the termination of the Committee. Existing members may be reappointed.

6.2 Chair of the Committee

The Chair of the Committee:

- a. must be an independent Non-Executive Director appointed by the Board
- b. may be the Chairman of the Board²⁰
- c. has the authority to appoint an independent Non-Executive Director who is a member of the Committee as acting Chair, should the Chair of the Committee anticipate being absent from a meeting.

Where the Chair of the Committee is absent from a meeting and no acting Chair has been appointed, the members of the Committee present at the meeting have the authority to choose an independent Non-Executive Director who is a member of the Committee to be acting Chair for that particular meeting.

¹⁹ Recommendation 2.2 of the ASX Corporate Governance Principles and Recommendations (3rd Edition)

²⁰ Recommendation 2.1 of the ASX Corporate Governance Principles and Recommendations (3rd Edition)



6.3 Composition of the Committee

The Committee is appointed by the Board, and is to consist of:

- a. at least three members including the Chairman of the Board and, Chairs of the Board's other sub committees; and
- b. a majority of independent Non-Executive Directors.

Executive Directors are not members of the Committee; however they may participate in discussions on matters considered by the Committee.

6.4 Review of composition

The composition of the Committee will be reviewed annually by the Board and the Committee is to ensure an appropriate balance of skills and experience.

6.5 Training and Awareness

Committee members are encouraged to participate in training and awareness raising programs which will assist in keeping a Committee member abreast of contemporary developments and leading practices relating to the functions of the Committee.

7 Meetings

7.1 Frequency of meetings of the Committee

- a. The Committee will schedule a minimum of one meeting each year.
- b. Any member of the Committee or the **nbn** Company Secretary may request the Chair of the Committee convene an additional meeting when required.

7.2 Attendance at meetings

- a. All Committee members are expected to attend each meeting, in person or via tele-or-video-conference.
- b. Any member of the Committee may request the Chair of the Committee arrange the attendance of any person, including members of Management, other **nbn** employees or external advisers, at a meeting of the Committee.
- c. In addition to members of the Committee, other **nbn** Directors are entitled to attend each Committee meeting and to access Committee reports.

7.3 Planning

The Committee will develop and maintain:

- a. a forward schedule of proposed agenda items for each meeting for the forthcoming year which covers all the responsibilities outlined in this Charter; and
- b. an annual schedule of meeting dates, times and locations.



7.4 Quorum

A meeting of the Committee shall be quorate with the attendance of a majority of members of the Committee, which must include the Chair of the Committee. The quorum must be present at all times during the meeting.

7.5 Issuance of agenda and reports

Meeting agendas will be prepared and provided in advance to members along with appropriate reports/briefing materials and draft copies of the previous meeting minutes.

Where practicable, copies of approved minutes of the Committee will be made available to all Directors.

7.6 Decisions

- a. At a Committee meeting:
 - i. All decisions will be by majority vote of members of the Committee in attendance; and
 - ii. Persons attending a meeting of the Committee who are not members are not entitled to vote on resolutions.
- b. By Circulating Resolution:
 - i. Committee members may pass a resolution in support of a decision without a Committee meeting being held if all of the 'available' Committee members entitled to vote on the resolution (being a majority of members of the Committee) sign a document (Document) containing a statement that they are in favour of the resolution set out in the Document.
 - ii. For the purposes of Section 7.6(b)(i):
 - All Committee members entitled to vote on the resolution must have been given the Document, which must include notice of the resolution and any necessary explanatory material (in the same form and content as if for an ordinary meeting of the Committee);
 - a Committee member is 'available' if he or she has confirmed receipt of the Document within 48 hours of its issuance;
 - separate copies of the Document may be used for signing by Committee members if the wording of the resolution and statement is identical in each copy;
 - the resolution is passed when the last Committee member entitled to vote on the resolution signs the Document; and
 - any document referred to in, or signature required by, this rule may be in the form of a facsimile or electronic transmission.

7.7 Company Secretary

The Company Secretary or his/her designated representative will:

- a. attend all meetings of the Committee;
- b. ensure appropriate minutes of each meeting are recorded;



- c. maintain a register of the interests disclosed by Directors and Officers²¹;
- d. seek approval of the agenda for each meeting from the Chair; and
- e. circulate the agenda and supporting reports at least five calendar days before the meeting.

8 Review of Charter

The Committee will review this Charter annually prior to 1 December²², and request the approval of the Board to make any changes that may be required.

9 Review of Performance

The Committee will:

- a. annually review the performance of the Committee as a whole taking into account the extent to which the Committee has discharged its functions/responsibilities as detailed in this Charter, and, its compliance with any other reporting requirements specified by the Board from time to time;
- b. inform the Board of the outcomes of the review at the next available Board meeting following completion of the review.

Approved and Adopted

This Charter was approved by the Board on 19 June 2018.

This Charter was adopted by the Committee effective from the date of Board approval on 19 June 2018.

Signed

A handwritten signature in black ink, appearing to read 'J. E. Swathowski'. The signature is written in a cursive style with a large initial 'J'.

Date 19 June 2018

Chair of the Nominations Committee of the Board of Directors of nbn

²¹ The register of interests will be available for inspection by Directors and Officers in accordance with **nbn** Conflicts of Interest - Directors and Officers Policy

²² cl 2.23 of the GBE Guidelines.



Approval Table

nbn	Meeting no.	Meeting date	Agenda item no.
Board	118	19 June 2018	12.2.7
Nominations Committee	07	19 June 2018	10.2
Board	108	20 June 2017	17.3.8
Nominations Committee	05	20 June 2017	10.2
Board	98	21 June 2016	17.3.2
Nominations Committee	03	21 June 2016	10.2
Board	86	16 June 2015	17.1
Nominations Committee	01	16 June 2015	03.2