

## **NOMINATION AND CORPORATE GOVERNANCE COMMITTEE CHARTER**

### **OBJECTIVES**

- 1 The Nomination and Corporate Governance Committee (**Committee**) has been established by the board of directors (**Board**) of Perpetual Equity Investment Company Limited ACN 601 406 419 (**Company**). Its functions are to support and advise the Board in fulfilling its responsibilities to shareholders and other stakeholders of the Company by:
  - (a) reviewing and advising the Board on the composition of the Board and its committees;
  - (b) reviewing the performance of the Board, the Company's Chair, the executive and non-executive directors and Board committees;
  - (c) developing succession plans for consideration by the Board;
  - (d) advising the Board on good governance standards and appropriate corporate governance policies for the Company; and
  - (e) critically reviewing the Company's performance against its corporate governance policies.

### **NOMINATION RESPONSIBILITIES**

- 2 In relation to its nomination function, the Committee is required to:
  - (a) periodically assess both the skills desired and required to discharge the Board's duties, having regard to the strategic direction of the Company;
  - (b) develop a process for evaluating the performance of the Board, its committees and its individual members;
  - (c) critically review the skills, performance and effectiveness of the Board, its committees and its individual members in accordance with the process developed under paragraph 2(b), having regard to the Company's Board Tenure and Performance Policy;
  - (d) establish criteria for Board membership;
  - (e) review the size and composition of the Board;
  - (f) develop succession plans for consideration by the Board;
  - (g) review the time commitment required from non-executive directors, whether existing non-executive directors are meeting that requirement and the procedures in place to ensure that new non-executive director candidates are able to meet the requirements following their appointment;
  - (h) develop and review disclosure about a formal and transparent process for selection, appointment and re-appointment of directors, including the Board skills matrix included in the Company's annual Corporate Governance Statement, criteria for selection of candidates, steps taken to ensure a diverse range of candidates are selected and how any gaps in the skill or experience of the Board are identified;
  - (i) propose candidates for directorships to the Board having regard to the desired composition of the Board as stated in the Board Charter, as well as the particular skills, experience, expertise, independence and diversity that will best increase the effectiveness of the Board having regard to the background and competencies of the existing directors;

- (j) review the Company's disclosure in relation to director elections and re-elections having regard to the principle that all material information in the Company's possession relevant to whether a person should be elected or re-elected as a director of the Company (including biographical details, qualifications, the candidate's independence and a statement from the Board as to whether it supports the candidate's election or re-election) should be provided to shareholders to allow them to make an informed decision;
- (k) inform the Board of the names of directors who are retiring in accordance with the provisions of the Company's Board Tenure and Performance Policy and make recommendations to the Board as to whether the Board should support the election or re-election of that retiring director. In order to make these recommendations, the Committee will review the retiring director's performance during the period in which the director has been a member of the Board;
- (l) review the Company's Diversity Policy and provide the Board with an annual report on the status of diversity within the Company and the effectiveness of the policy in achieving any measurable objectives which have been set to achieve diversity;
- (m) propose measurable objectives to assist the Company to achieve gender diversity for adoption by the Board, annually review the Company's progress in meeting each objective and report to the Board on the effectiveness of the objectives and the Company's progress;
- (n) review the effectiveness of the induction program for new directors established and implemented by the Company Secretary;
- (o) identify any specific responsibilities of individual Board members, including the Company's Chair;
- (p) monitor that directors are provided with appropriate continuing education for the purpose of updating and maintaining their skills and knowledge;
- (q) review succession planning for the executive directors and other personnel, including in regard to maintaining an appropriate mix of skills, experience, expertise and diversity; and
- (r) review the membership and performance of other Board committees and make recommendations to the Board.

## **CORPORATE GOVERNANCE RESPONSIBILITIES**

- 3 In relation to its corporate governance function, the Committee is required to:
- (a) review developments in corporate governance in Australia and internationally that may be relevant to the Company and to the expectations of the Company's shareholders and other stakeholders;
  - (b) monitor the corporate governance requirements of regulators, including the Australian Securities and Investments Commission, Australian Taxation Office and the Australian Securities Exchange;
  - (c) review ethical guidelines and standards for directors;
  - (d) advise the Board on corporate governance standards, and on the adoption or amendment of corporate governance policies that would be appropriate for the Company;
  - (e) advise the Board on the appointment, role and removal of the Company Secretary;
  - (f) review annually the Company's compliance with its corporate governance policies and procedures and report to the Board on the results of the review together with any recommendations of the Committee; and
  - (g) assist the Board to prepare the Company's Corporate Governance Statement and comply with the requirements imposed under the Australian Securities Exchange Listing Rules with respect to corporate governance disclosure.

## COMPOSITION

- 4 The Committee must have at least three members and comprise a majority of independent directors.
- 5 The Board will nominate the chair of the Committee (**Committee Chair**) from time to time who must be an independent non-executive director of the Company.

## PROCEDURAL REQUIREMENTS

- 6 The Committee will meet as required but not less than three times a year.
- 7 A quorum of the Committee will comprise two members, one of whom must be the Committee Chair or, in the absence of the Committee Chair, another independent director. However all Committee members are expected to attend and participate in Committee meetings.
- 8 If the Committee Chair is absent from a meeting and no acting chair has been appointed, the Committee members present may choose one of them to act as chair for that meeting.
- 9 Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- 10 Non-committee members may be invited to attend meetings by the Committee Chair.
- 11 Each member of the Committee will have one vote.
- 12 The Committee Chair will not have a casting vote. If there is a tied vote, the motion will lapse.
- 13 A member of the Committee will not participate in the review of their own performance.
- 14 A member of the Committee must not be present for discussions at a Committee meeting on, or vote on a matter regarding, his or her election, re-election or removal.
- 15 A member of the Committee must not be present for discussions on, or vote in a matter regarding, his or her own remuneration or a specific remuneration policy that affects him or her. However, a member who is a non-executive director may be present and vote in relation to the remuneration of the other non-executive directors.
- 16 The Committee must be provided with such internal resources as it considers necessary or desirable to fulfil its objectives.
- 17 The Committee may seek such advice from any external parties or professional advice as it may consider necessary or desirable to fulfil its objectives.
- 18 Following each meeting the Committee Chair will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval or action, and provide the Board with sufficient information upon which to make a decision in that regard.
- 19 Minutes of meetings of the Committee will be prepared for approval by the Committee and be circulated to the members of the Board.
- 20 The Company Secretary will provide such assistance as may be required by the Committee Chair in relation to preparation of the agenda, minutes or papers for the Committee.

## ANNUAL REVIEW

- 21 The Committee will prepare and provide to the Board annually:
  - (a) a self-evaluation of its performance against its Charter, goals and objectives;
  - (b) recommended goals and objectives for the coming year; and
  - (c) recommended changes or improvements to this Charter if necessary.
- 22 The annual review may be done by way of an oral report to the Board by the Committee Chair.

## **EVALUATION PERFORMANCE**

- 23 The Committee, in order to ensure that it is fulfilling its duties to the Company and its shareholders will periodically:
- (a) obtain feedback from the Board on the Committee's performance and implement any agreed actions; and
  - (b) provide any information the Board may request to facilitate its review of the Committee's performance.

## **REVISIONS OF THIS CHARTER**

- 24 The Committee is responsible for reviewing the effectiveness of this Charter and the operations of the Committee. Any amendments to this Charter must be approved by the Board.