

# Challenger Limited

## Board Nomination Committee Charter

Challenger Limited (Company)  
ACN 106 842 371

# 1. Introduction

- 1.1 The Nomination Committee (**Committee**) is a committee of the Board of directors (**Board**) of Challenger Limited (**Company**).
- 1.2 The Board established the Committee in accordance with the Company's constitution.
- 1.3 This charter sets out the scope of the Committee's responsibilities in relation to the Company and its controlled entities (**Group**).
- 1.4 For the purposes of this Charter, the term “ensure” has the meaning given to that term in Prudential Standard LPS 001 Definitions (as it is amended or replaced from time to time). At the current time, “ensure” is defined to mean “to take all reasonable steps and make all reasonable enquiries as are appropriate for a board so that the board can determine, to the best of its knowledge, that the stated matter has been properly addressed”.
- 1.5 The role of the Committee is not an executive role.

## 2. Objective

The objective of the Committee is to assist the Board achieve its objective to ensure the Company has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

## 3. Nominations and Board Composition - Responsibilities

The Nomination Committee is responsible for:

- (a) identifying and recommending to the Board, nominees for membership of the Board including the chief executive officer;
- (b) identifying, documenting and assessing the necessary and desirable competencies and characteristics for Board membership and regularly assessing the extent to which those competencies and characteristics are represented on the Board;
- (c) developing and implementing processes to identify and assess necessary and desirable competencies and characteristics for Board members including preparing, maintaining and disclosing a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership;
- (d) ensuring succession plans are in place and reviewing those plans:
  - (i) to achieve and maintain an appropriate balance of competencies, characteristics and tenure on the Board; and
  - (ii) to manage the succession of the chief executive officer;
- (e) reviewing Board composition to ensure that it continues to have an appropriate balance of competencies, characteristics and tenure; and
- (f) ensuring the Committee and the Board has an appropriate diversity of membership.  
Appointment of New Directors

## 4. Appointment of New Directors

- 4.1 The Board believes that its membership should comprise directors with an appropriate mix of competencies and characteristics that allow the directors individually, and the Board collectively, to:

- (a) discharge their responsibilities and duties under the law effectively and efficiently;
  - (b) understand the business of the Company and the environment in which the Company operates so as to be able to agree with management the objectives, goals and strategic direction which will maximise shareholder value;
  - (c) assess the performance of management in meeting those objectives and goals;
- 4.2 In selecting potential new directors, the Committee identify the competencies and characteristics required to enable the Board to fulfil its responsibilities and to ensure the Board reflects an appropriate balance of industry technical skills, financial literacy, leadership capability, risk and governance skills, and cognitive diversity. In doing so, the Committee must have regard to the regular assessments of competencies and the results of the annual appraisal of the Board's performance.
- 4.3 While recognising that each director will not necessarily fulfil all criteria, the Committee has identified the following fundamental factors as relevant to the selection and appointment of new directors:
- (a) outstanding in capability with extensive and senior commercial experience, preferably with a listed company;
  - (b) complementary competencies and characteristics to other directors;
  - (c) high level of personal integrity;
  - (d) time available to meet the commitment required; and
  - (e) sufficiently independent in accordance with the APRA Prudential Standards, the ASX Corporate Governance Principles and Recommendations and the Company's materiality thresholds.
- 4.4 The Committee shall ensure the procedure for appointing new directors involves some or all of the following:
- (a) assessing and identifying the balance of skills, knowledge, experience, independence and diversity of the Board and, based on that assessment, identifying the necessary and desirable competencies and characteristics for new Board members;
  - (b) ensuring a diverse range of candidates are considered;
  - (c) assessing and determining the time commitment needed from each Board member to adequately perform their duties;
  - (d) making suitable inquiries of professional executive search and recruitment consultants for candidates;
  - (e) interviewing each candidate and conducting background and reference checks;
  - (f) ensuring each candidate satisfies the fundamental factors set out in section 4.3 above; and
  - (g) assembling and putting forward a potential nominee or a short list of potential nominees for consideration by the Board.

## 5. Performance and Education of Directors

- 5.1 The Committee is responsible for:
- (a) establishing and documenting processes for evaluating the performance of the Board, the Board Committees and the directors, such evaluation to include reference to applicable Group policies (e.g. Diversity Policy);

- (b) evaluating the performance of the Board, the Board Committees and the directors (including the chair) which may, from time to time, include external reviews of the functioning of the Board;
- (c) reviewing the time required from non-executive directors to perform their functions and assessing their performance;
- (d) establishing induction programmes for new directors; and
- (e) developing continuing education programmes for directors and ensuring they receive ongoing briefings on developments in accounting standards.

5.2 A member of the Committee is prohibited from participating in any review or assessment conducted by the Committee of their own performance.

## 6. Recruitment and Termination - Responsibilities

The Nomination Committee is responsible for reviewing and recommending to the Board for adoption recruitment, retention and termination policies and practices of non-executive directors.

## 7. Other Responsibilities

The Committee is responsible for doing anything the Board considers appropriate in the context of this charter.

## 8. Committee Composition

8.1 The Committee must comprise:

- (a) at least three members;
- (b) all non-executive directors; and
- (c) a majority of independent directors.

8.2 The Committee will appoint its chairperson. The chairperson of the Committee must be the Chair of the Board or an independent director. A separate Chair should be appointed if and when the Committee is dealing with the appointment of a successor to the Chair.

8.3 The Company Secretary, or their delegate, will be the secretary of the Committee (**Committee Secretary**).

8.4 The Board decides appointments, rotations and resignations within the Committee having regard to the APRA Prudential Standards, ASX Listing Rules, the *Corporations Act 2001* (Cth) (**Corporations Act**) and the Company's constitution.

8.5 A Committee member may act by their alternate.

## 9. Committee Meetings

9.1 The Committee will meet as often as it considers necessary.

9.2 A quorum for a Committee meeting is two Committee members.

9.3 Other members of the Board are entitled to attend Committee meetings under a standing invitation but have no voting rights.

9.4 Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present. A meeting is taken to

be held where the majority of directors are present, and if no majority are in any one location, then the meeting will be deemed to have occurred at the Company's Registered Office.

- 9.5 The Committee may pass or approve a resolution without holding a meeting in accordance with the procedures in section 248A of the Corporations Act or the Company's Constitution, as appropriate.
- 9.6 The Committee may invite anyone it considers appropriate to attend Committee meetings. Invitees will not be entitled to vote on matters put to the Committee.
- 9.7 The Committee Secretary will circulate the agenda and papers a reasonable period in advance of each meeting.

## 10. Minutes of Committee Meetings

- 10.1 The Committee must keep minutes of its meetings, which minutes will be held by the Committee Secretary
- 10.2 Draft minutes of each Committee meeting must be included in the papers for the next Committee meeting.
- 10.3 Previous minutes, agenda and supporting papers are available to directors upon request to the Committee Secretary, except if a conflict of interest exists.

## 11. Reporting to the Board

The Committee chairperson must report the Committee's findings to the Board after each Committee meeting.

## 12. Access to Information and Independent Advice

- 12.1 The Committee may seek any information it considers necessary to fulfil its responsibilities.
- 12.2 The Committee has access to management to seek explanations and information from management, at the Company's cost.
- 12.3 The Committee may seek professional advice from employees of the Group and from appropriate external advisers, at the Company's cost. The Committee may meet with external advisers without management being present.

## 13. Review and Changes to this Charter

- 13.1 The Committee will review this charter annually or as often as it considers necessary.
- 13.2 The Board may change this charter from time to time by resolution.

## 14. Approved and Adopted

This updated charter was originally approved by the Board and adopted by the Committee on 4 October 2006 and most recently updated on 27 May 2022.