

**TASSAL GROUP LIMITED**

ABN 15 106 067 270

**Policy for the Selection and Appointment of Directors**

**(Reviewed by the Board 28 June 2017)**

**CONTENTS**

1. Introduction and Purpose
2. Procedure for Selection and Appointment of New Director(s)
3. Procedure for Re-appointment of Incumbent Director(s)
4. Renewal Policy and Term of Office
5. Competencies Matrix
6. Disclosure
7. Who to Contact

## **1. Introduction and Purpose**

The responsibility for the selection and recommendation to the Board of potential Directors has been delegated to the Remuneration and Nominations Committee ("the Committee") which shall periodically review the composition of the Board to ensure that the Board has at all times the mix of members and expertise necessary for the successful oversight of the Company's business and the delivery of value to shareholders.

This Policy provides guidelines for the exercise of the Committee's responsibilities authority having regard to the following principles:

- the Board should consist of members with an appropriate mix of skills, diversity, experience, gender, race, ethnicity and age to enable the Board to be an effective decision making body;
- a majority of the Board shall be Non-executive Directors;
- a sufficient majority of the Directors should also be independent of the Company such that a majority of the Board as a whole are both Non-Executive and independent; and
- the procedure for selection of Directors should be sufficiently flexible to meet the needs of the Company depending on its circumstances at any particular time.

## **2. Procedure for Selection and Appointment of New Director(s)**

### ***The Committee shall:***

- assess the current Board's competencies, skills and qualities;
- give consideration to the experience regarded as important to be represented on the Board, namely:
  - experience as a Director;
  - experience as an Executive reporting to a Board;
  - relevant business experience;
  - financial experience;
  - technology experience;
  - marketing experience;
  - legal and regulatory experience; and
  - corporate governance and risk management experience;
- assess the future needs of the business;
- develop a range of selection criteria for potential Board candidate(s) (as annexed in the "Competencies Matrix"); these may include, among other

## **Policy for the Selection and Appointment of Directors**

things, knowledge, experience, skills, expertise, integrity, diversity, ability to make independent analytical inquiries, understanding of the Company's business environment, willingness to devote adequate time and effort to the perceived needs of the Board;

- consider recommendations from shareholders, management and others as it deems appropriate;
- use, if considered desirable, the services of an independent executive search firm to assess the appropriateness of candidates and/or to provide or supplement the candidate list;
- meet with and evaluate the final potential candidates and in particular determine the extent to which potential Board candidates are (a) are likely to work constructively with the existing Directors, (b) contribute to the overall effectiveness of the Board and (c) safeguard the interests of the Company and avoid conflicts of interest;
- consider whether the potential Board candidate is likely to be appointed to any Board committees;
- advise potential Board candidates of the Company's policy regarding its expectations of Directors to ensure that candidates are fully informed of such expectations including regulatory and compliance requirements; and
- provide the Board with a list of potential Board candidates and a recommendation.

### ***The Board shall:***

- examine and review the list of potential Board candidates provided by the Committee;
- authorise the Chairman to approach the desired candidate(s) and provide the Company's draft terms of appointment for review; and
- appoint, if the Board so determines, the final recommended candidate to the Board in accordance with the Company's Constitution and on the terms of the appointment agreed with the potential Board candidate.

In accordance with the Company's Constitution, if the Board appoints a new Director during the year, that person will stand for election by shareholders at the next Annual General Meeting. Shareholders are provided with relevant background information on the candidate for election and the candidate is invited to give a short presentation to the Annual General Meeting in support of their election.

### **3. Procedure for Re-appointment of Incumbent Director(s)**

The Company's Constitution provides that a Director may not hold office for a continuous period in excess of 3 years or past the third Annual General Meeting following the Director's appointment without submitting for re-election.

## **Policy for the Selection and Appointment of Directors**

Retiring Directors are subject to the selection and appointment procedures set out in the Constitution of the Company, the ASX Listing Rules and the Corporations Act.

Shareholders are provided with relevant background information on the retiring Director and the candidate is invited to give a short presentation to the Annual General Meeting in support of their re-election.

The Committee (excluding the retiring Director(s)) shall, approximately three months before the date of an Annual General Meeting at which a Director is scheduled to retire, re-evaluate the qualifications, experience and performance of each retiring Director before determining whether to recommend to the Board that they be nominated for an additional term.

The Board (excluding the retiring Director(s)) shall:

- examine and review the re-election recommendation provided by the Committee;
- authorise the Chairman to approach the retiring Director(s) to convey the Board's views concerning the proposed re-election of the retiring Director(s) at the next Annual General Meeting;
- authorise the Company Secretary to make the appropriate arrangements in accordance with the Constitution of the Company, the ASX Listing Rules and the Corporations Act in respect of the views expressed by the Board concerning the proposed re-election of retiring Director(s); and
- if the Board does not support the re-election of the retiring Director(s) at the next Annual General Meeting, instruct the Committee (if an additional director is desired to fill the vacancy to be created), to initiate the procedure provided for in clause 2 above.

### **4. Renewal Policy and Term of Office**

Directors are elected for a term of three years.

The Board believes that it should not establish strict limits on the number of terms a Director may serve.

Term limits may cause the loss of experience and expertise important to the optimal operation of the Board. However, the Company's Policy on Independence of Directors indicates that length of service may in some cases be an indication that the Director is no longer independent.

Directors are not entitled to any retirement or similar allowance upon ceasing to be a Director for any reason. There is no maximum age limit for a Director.

### **5. Disclosure**

This Policy for the Selection and Appointment of Directors is publicly available on the Company's website in a clearly marked Corporate Governance section.

### **6. Who to Contact**

## **Policy for the Selection and Appointment of Directors**

Any questions relating to the interpretation of this Policy should be forwarded to the Company Secretary.

## Annexure - Competencies Matrix

Competencies considered by the Committee when considering and recommending a person for appointment as a Director include:

### 1. General Competencies

- ability to make informed business decisions;
- entrepreneurial;
- can see wider picture and perspective;
- integrity in personal and business dealings;
- ability to make independent analytical inquiries; and
- willingness to devote adequate time and effort to the perceived needs of the Board.

### 2. Knowledge Competencies

- technology experience;
- marketing experience;
- corporate governance and risk management experience;
- understand legal, accounting, and regulatory requirements affecting the Company;
- understand responsibilities as a Director and senior Executive;
- is aware of latest business and management practices;
- understand the roles, processes and relationships of the Board and its members; and
- knows the key performance indicators of the Company and its senior management.

### 3. Strategic Competencies

- can see strengths and weaknesses of Companies and businesses - and how decisions will impact them;
- ability to recognise opportunities and threats in the industry;
- ability to recognise wider business and societal changes - particularly in the context of global markets;
- understanding of compatibility required between budgets and business plans and vision and strategy and have the ability to effectively monitor these budgets, plans and strategies;
- aware of change and the need for change; and
- understand the difference between governance and management issues.

### 4. Financial and Analytical Competencies

- can read and interpret financial reports;
- ability to think critically and to challenge proposals;
- understanding issues from different perspectives; and
- asks for and use information to make informed judgements and assessments.

### 5. Character Competencies

- acts on morals and values;
- willing to act on, and remain accountable for, Board decisions;
- courage to pursue personal convictions; and

## **Policy for the Selection and Appointment of Directors**

- can be objective at all times about what is best for the Company.

### **6. Communication Competencies**

- can articulate thoughts, opinions, rationales, and points in a clear, concise and logical manner;
- is flexible and willing to change stances when necessary and appropriate;
- ability to listen, process and understand key points;
- can interact with other Board members in a group setting, both contributing to, and valuing the contributions of all members;
- ability to coach members of staff;
- ability to deal with the media – comfortable on public platforms; and
- recognise the motivations of investors, analysts, customers, competitors, employees, regulators and other groups - and communicate with them accordingly.

### **7. Other Competencies**

Such other competencies as may be recommended pursuant to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations from time to time.