

Charter Name:	Nominations Committee
Approver / Custodian:	Board / Company Secretary
Review Date / Cycle / Reviewer:	December 2021 / Every two years or as required / Company Secretary
Previous (Last) Review Date:	December 2021

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Notes

Applies to	Members of the Nominations Committee
Reason for Charter	The Corporations Act and APRA's Prudential Standard CPS 510 (July 2019) state that the Board of Directors (the Board) of a regulated institution is ultimately responsible for the oversight of the sound and prudent management of the regulated institution. The Board may establish standing Committees to assist the Board's decision making, supervision and control of Cuscal. The Board determined to establish a Nominations Committee as an outcome from the Governance Review that was concluded in 2021.
Charter Summary	This document sets out the objectives, membership, responsibilities and authority of the Nominations Committee.

Document Version Control

Version	Date	Comments
V1.0	December 2021	Charter approved





1. Background and Objective

The Constitution of Cuscal was amended on 28 July 2021 to provide that the Board will be a fully elected Board. Pursuant to APRA's prudential requirements, the Board must have a majority of independent directors. In line with the Constitution and APRA's expectations, the Board will transition to a fully elected Board by the 2023 AGM and majority independent Board by the 2022 AGM.

The objective of the Nominations Committee is to act as a selection panel that will be convened to consider and make recommendations to the Board on potential Board candidates (**Candidates**):

- that may be considered for appointment or election to fill a vacancy that arises from the retirement of a Director that occurs prior to the AGM at which the Director would otherwise be due to retire; or
- that have been been nominated by shareholders for election at the AGM in accordance with the Constitution.

2. Membership

2.1. Composition

The Nominations Committee shall comprise at least four members, including:

- the Chairman of the Board;
- the other members of the BGRC;
- any other Independent Directors; and
- an external member appointed to the Nominations Committee by the Board.

A majority of members of the Nominations Committee must be independent. The Chairman of the Board will be the Chairman of the Nominations Committee. In the absence or inability of the Chairman of the Board to act as Chairman of the Nominations Committee, the longest serving independent Director on the BGRC shall assume the role of Chairman of the Nominations Committee.

2.2. External Member

The external member of the Nominations Committee must be an appropriately qualified and experienced individual that is not a member of the Board (**External Member**).

The BGRC shall recommend to the Board an individual to be appointed as the External Member and the terms and conditions on which the External Member shall be appointed.

The BGRC will have regard to the following key criteria in its recommendation of a proposed External Member to the Board:

- an individual who in the reasonable opinion of the BGRC has a mutual mindset;
- the breadth and depth of experience the individual has, and the capabilities that person applied in their capacity in fulfilling any one or more of their roles of director, senior executive in, or adviser to a recognised mutual organisation, or industry body for mutual organisations; and
- the personal attributes that are applicable to a member of the Board.

For the purposes of this Charter, or any Cuscal governance document approved by the Board from time to time, having a *mutual mindset* means an individual has an understanding and appreciation of:

- the core foundations of a mutual enterprise structure,





- ❑ material decision-making being undertaken in the best interests of the members as a whole in the long term, as they are who a mutual enterprise principally serves, and
- ❑ collective endeavour and how membership values shape and inform the benefits delivered to members through products and services.

3. Meetings

3.1. Frequency

The Nominations Committee shall meet no less frequently than once annually as determined necessary by the Chairman of the Nominations Committee in order to fulfil the responsibilities of the Nominations Committee.

A quorum shall consist of a majority of the members of the Committee and must include the External Member.

3.2. Attendees

The Managing Director will be an attendee at the Nominations Committee. The Company Secretary will also be an attendee and other senior management staff may be invited as required.

3.3. Minutes

The Company Secretary will keep minutes of meetings in the standard Cuscal format. The draft minutes are to be approved by the Chairman and circulated to all members of the Committee in a timely manner and included in the papers for the next following Nominations Committee and Board meeting unless the Chairman approves otherwise.

3.4. Reporting

A verbal report of each Nominations Committee meeting is to be provided to the immediate next Board meeting, along with any recommendations made by the Committee.

Cuscal's annual report shall include a statement describing the responsibilities and activities of the Nominations Committee, the number of times the Nominations Committee met and the individual attendance by members at the Nominations Committee meetings.

4. Responsibilities

The Board has delegated authority to the Committee to fulfil its responsibilities as set out in section 4.1.

4.1. Director Selection and Recommendation for Re-election

In accordance with the Selection Framework, the Nominations Committee shall assess Candidates and make recommendations to the Board on their eligibility and suitability. The Committee's role comprises:

- ❑ interviewing Candidates; and
- ❑ assessing Candidates against the criteria approved by the Board as being required of a Cuscal Director and in accordance with the Skills Matrix and any other applicable criteria at the time.





The Nominations Committee shall determine the practical logistics for interviewing and assessing Candidates, including the manner, allocation and location of Candidate interviews as the Nominations Committee deems appropriate.

In the Committee's deliberations, the External Member will provide their assessment of a candidate's mutual mindset so that the Committee as a whole can take this into account in its recommendations to the Board.

5. Authority and Access

The Board authorises the Nominations Committee to:

- ❑ perform activities within its Charter and to the extent of any inconsistency, this Charter should be read subject to the requirements of CPS 510;
- ❑ have access to relevant employees, via the Managing Director or senior management; and
- ❑ have access to the Company Secretary.

6. Review

The Nominations Committee shall:

- ❑ conduct a review of this Charter; and
- ❑ assess its performance and fulfilment of its responsibilities under this Charter,

annually or at other times as determined by the Committee. Recommended outcomes resulting from these reviews shall be submitted to the Board for consideration.

7. Interpretation

Term	Definition
APRA	Australian Prudential Regulation Authority
BGRC	Board Governance and Remuneration Committee
Board	The Board of Directors of Cuscal
Candidate	Has the meaning given in clause 1
Constitution	The Constitution of Cuscal
CPS 510	Prudential Standard CPS 510 Governance, July 2019
Cuscal	Cuscal Limited ACN 087 822 455
Director	A Director of Cuscal
External Member	Has the meaning given in clause 2
Independent Director	A Director as defined in clause 4.5 of the Cuscal Board Charter
Mutual mindset	Has the meaning given in clause 2.2
Selection Framework	The selection framework for Board members at Appendix A to the Board Charter
Skills Matrix	Means the Board's skills matrix

