

# Nominations and Remuneration Committee Charter

## 1. Purpose

- 1.1 This charter sets out the composition, role, responsibilities and administration of the Nominations and Remuneration Committee (“Committee”) of VDM Group Limited (“VDM” or “Company”) within the corporate governance structure of VDM and its controlled entities (“VDM Group”).
- 1.2 The Committee has been established by the board of directors (“Board”) of VDM in accordance with clause 7 of the Company’s Board Charter.
- 1.3 The Committee is to assist and advise the Board on matters relating to the appointment and remuneration of directors, the chief executive officer and other senior executives and employees of the VDM Group.
- 1.4 This charter is only a summary of the matters reserved to the Committee and should therefore only be used as a general guide which is not to be used in a legal capacity.

## 2. Membership

- 2.1 The Board has determined that the Committee, where practicable, shall comprise at least three directors with the majority being independent directors and the chief executive officer. The Board, however, recognises that this may not be practicable at all times given its size and composition.
- 2.2 The Committee members shall possess the appropriate skills and experience to enable the Committee to meet its purpose.
- 2.3 The Committee shall be chaired by the chairperson of the Board or an independent director.
- 2.4 The appointment of new members of the Committee shall be approved by the Board.
- 2.5 Other executives or individuals may attend meetings of the Committee at the invitation of the Committee chairperson, but are not members of the Committee.

## 3. Role

The role of the Committee in relation to nomination shall be to:

- a) review the size and composition of the Board.
- b) review and advise the Board on the range of skills available on the Board and appropriate balance of skills for future Board membership.
- c) review and consider succession planning for the chief executive officer, the chairperson and other directors and key executives.
- d) develop criteria and procedures for the identification of candidates for appointment as directors, with the criteria including a consideration at least of the candidates’:
  - i. skills, experience, expertise and personal qualities.

- ii. capability to devote the necessary time and commitment to the role.
- iii. potential conflicts of interest and independence.
- e) apply the criteria and procedures to identify prospective candidates for appointment as a director and make recommendations to the Board.
- f) make recommendations to the Board regarding any directors who should not continue in office, having regard to the results of a formal performance appraisal of directors and/or consideration of the appropriate composition of the Board.
- g) nominate for approval by the Board external experts (where appropriate) to advise on the matters listed above.
- h) review the time required from a non-executive director and whether directors are meeting this requirement.
- i) evaluate management's recommendations on the appointment of key executives.
- j) develop a plan for identifying, assessing and enhancing director competencies.
- k) ensure that there is an appropriate induction program for new directors and members of senior management and reviewing its effectiveness.

### 3.2 The Committee may:

- a) review the recommendations of any external expert appointed by the Board in relation to Board membership and candidates and make any further enquiries deemed necessary by the Committee
- b) interview candidates for election to the Board.

### 3.3 The role of the Committee in relation to remuneration shall be to:

- a) determine remuneration policies and remuneration of directors.
- b) determine remuneration and incentive policies packages of key executives.
- c) determine the VDM Group's recruitment, retention and termination policies and procedures for senior management.
- d) determine and review incentive plans and require that equity-based incentive plans involving the issue of new securities to executives, other than directors, be approved by shareholders prior to implementation and that such plans prohibit hedging unvested options.
- e) determine and review superannuation arrangements of the VDM Group.
- f) determine and review professional indemnity and liability insurance for directors and senior management.

## 4. Administration

- 4.1 The Committee shall meet at least two times a year.
- 4.2 A notice of each meeting confirming the date, time and venue together with the agenda and Committee papers shall be forwarded to each member of the Committee at least three working days prior to the date of the meeting.
- 4.3 The Committee shall appoint a secretary who shall attend all Committee meetings and record minutes as minute secretary. All minutes of the Committee, when approved and signed by the Committee chairperson and tabled at the next following meeting of the Board, shall be entered into a minute book maintained for that purpose and shall be open at all times for inspection by any director.

- 4.4 A quorum shall comprise any two Committee members who are independent directors. In the absence of the Committee chairperson or appointed delegate, the members shall elect one of their number as chairperson being an independent director for that meeting.
- 4.5 The Committee may with the prior approval of the Board instruct the chairperson of the Committee or chief executive officer to engage independent advisors in relation to any matter pertaining to the responsibilities of the Committee.

## **5. Review of Charter**

This charter shall be reviewed by the Committee on a regular basis and a report provided to the Board, if required, recommending any necessary amendment and additional duties and responsibilities.