



NOMINATION COMMITTEE CHARTER

Hills Limited

ABN 35 007 573 417

Policy Name	Nomination Committee Charter
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NOMINATION COMMITTEE CHARTER



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1 Purpose and Authority

1.1 Purpose

The purpose of the *Nomination Committee Charter* is to:

- (a) specify the authority delegated to the Nomination Committee (**Committee**) by the Board of Directors (**Board**) of Hills Limited (**Hills**); and
- (b) set out the role, responsibilities, membership and operation of the Committee.

1.2 Authority

The Committee is a committee of the Board, established pursuant to Article 11.6 of the Hills constitution and authorised by the Board to assist in fulfilling its statutory, fiduciary and regulatory responsibilities.

It has the authority and power to exercise the role and responsibilities set out in this charter and granted to it under any separate resolution of the Board from time to time.

The Committee is accountable to the Board for its performance.

2 Role of the Committee

The Committee assists and makes recommendations to the Board on:

- (a) director selection and appointment practices;
- (b) Board composition and tenure;
- (c) succession planning for the Board;
- (d) the diversity of the Board; and
- (e) director independence,

to ensure that the Board retains a sufficiently wide mix of expertise to fulfil its responsibilities.

3 Responsibilities of the Committee

The Committee is responsible for:

- (a) developing, regularly reviewing and making recommendations to the Board regarding policy with respect to director tenure, director retirement, Board composition, strategic function and size;
- (b) developing a skills matrix to identify skills gaps in the Board composition;
- (c) identifying those individuals believed to be qualified to become Board members and making recommendations to the Board for appointment of new Board member candidates having regard, among other things, to:
 - (i) the candidate's judgment, skills, diversity and experience;
 - (ii) Hills' diversity objectives; and

- (iii) the extent to which the candidate would be a desirable addition to the Board and any committees of the Board;
- (d) assessing and reviewing the necessary and desirable competencies of Board members;
- (e) identifying Board members qualified to fill vacancies on any committee of the Board (including this Committee);
- (f) developing, implementing and reviewing continuing education measures to enhance director competencies and to update and enhance directors' knowledge and skills so that directors can advise on key developments affecting Hills and the industry and environment in which it operates; and
- (g) developing and reviewing orientation and induction procedures for new appointees to the Board to enable them to effectively discharge their duties.

4 Composition of the Committee

4.1 Membership

The Committee is to comprise of at least three members, a majority of whom are independent, non-executive directors.

Members will be determined by the Board and changed at the discretion of the Board.

The effect of ceasing to be a director of the Board is the automatic termination of appointment as a member of the Committee.

4.2 Chairman

The Committee shall be chaired by an independent non-executive director of the Board.

Should the Chairman of the Committee be absent from any meeting of the Committee, the members of the Committee present at that meeting shall appoint one of their members to be Chairman of that meeting.

4.3 Skills Development

If the Chairman of the Board pre-approves, a committee member may attend seminars or training related to the functions and responsibilities of the Committee at Hills' expense.

5 Committee Meetings and Process

5.1 Meetings

Meetings and proceedings of the Committee are governed by the provisions of Hills' constitution.

5.2 Frequency

The Committee shall meet as frequently as required to fulfil its role and responsibilities effectively.

Any committee member or the secretary of the Committee may call a meeting of the Committee.

5.3 Quorum and Voting

A quorum will comprise of any two Committee members.

Each member shall have one vote.

The Chairman of the Committee shall not have a second or casting vote.

5.4 Agenda

The Committee shall develop and agree an annual program to fulfil its responsibilities.

The Chairman of the Committee will develop the agenda for each meeting on the basis of the annual program and any other matters deemed to be relevant to the particular meeting.

5.5 Attendance

In addition to the members of the Committee, such executives and/or external parties as the Chairman of the Committee and members of that committee think fit may be invited to attend Committee meetings.

Other non-executive directors of the Board are also entitled to attend committee meetings.

5.6 Access to information and advisers

The Committee will have the appropriate resources to discharge its duties and responsibilities, including authority to engage counsel, accountants or other experts as it considers appropriate.

5.7 Report to the Board

The Committee will regularly update the Board about committee activities and make appropriate recommendations. The Chairman of the Committee will report to the Board on any matters under consideration at the next Board meeting following a committee meeting.

5.8 Minutes

Minutes of proceedings and resolutions of the Committee shall be kept by the Chairman of the Committee. Minutes shall be distributed to all committee members by the Company Secretary, after the preliminary approval has been given by the Chairman of the Committee.

6 Committee's performance evaluation

The Committee will review its performance at least annually, or earlier if circumstances dictate, and whenever there are major changes to the management structure of Hills.

The performance evaluation will take into account the extent to which the Committee has met its responsibilities in terms of this charter.

Committee members must be available to meet with external bodies if requested to do so in accordance with relevant laws, regulations or prudential standards.

7 Review of the Charter

The Committee will review its charter from time to time and make recommendations to the Board as to any changes it considers should be made.

The charter may only be amended by resolution of the Board.

8 Who to Contact

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

9 Published

A copy of this Charter is available at www.hills.com.au.