



AJ LUCAS GROUP LIMITED

**HUMAN RESOURCES AND NOMINATIONS
COMMITTEE**

Human Resources and Nominations Committee Charter

Introduction

The Human Resources and Nominations Committee is a committee of the board of AJ Lucas Group Limited ("AJL" or "the Company"). This charter sets out the responsibilities of the Committee, its membership criteria and the manner in which the Committee's activities should be conducted.

Principal functions

The primary role of the Committee is to assist the Board of Directors in fulfilling its responsibilities regarding human resources matters and to seek and nominate qualified candidates for election or appointment to the Board of AJL.

Duties and responsibilities

The duties and responsibilities of the Committee shall include:

- a) Review and recommend to the Board remuneration strategy guidelines, including remuneration policy and practice, including employees in general and specifically those for the non-executive Directors, Managing Director and other senior executives;
- b) Assist the Board in ensuring that: appropriate policies are in place for people management; that these are designed to meet the needs of the Company; that they should attract and retain high performing employees; and should help to improve both corporate as well as individual performance;
- c) Assess appropriate remuneration for the CEO and CFO, which may be assisted in consultation with external consultants, and provide recommendations in respect of such remuneration to the Board;
- d) Review, assess and provide recommendations to the Board on proposals regarding annual remuneration banding for staff;
- e) Review, assess and provide recommendations to the Board on proposals regarding short term incentive and long-term incentive schemes as the case may be;
- f) Ensure senior executive succession and development plans are in place to provide for ongoing professional management of the Company;
- g) Evaluate the range of skills, experience and expertise of the Board and identify any additional skills, experience and expertise that may be desirable to supplement the current Board;

- h) Identify the steps to be taken to ensure a diverse range of candidates are considered in selecting new directors and the factors to be taken into account in the selection process;
- i) Identify the suitable individuals qualified to become Board members, following an assessment of their skills, experience, expertise and likely level of commitment; shortlisting the candidates and making a selection recommendation to the Board;
- a) Comply with the relevant provisions of the ASX Listing Rules and Corporations Act in Australia; and
- b) Any additional matters delegated to the Human Resources and Nomination Committee by the Board.

Membership

Composition

The Committee shall be appointed by the Board and will consist of;

- A minimum of three members;
- Ideally majority of members being non-executive independent Directors; and
- Ideally chaired by an independent non-executive Director.

The Committee Chairman will be appointed by resolution of the Committee and where the Chairman is not present the remaining members of the Committee will appoint a Chairman amongst them to fill the temporary vacancy.

All Directors are invited to attend any meeting of the Human Resources and Nominations Committee by prior arrangement with the Committee Chairman.

Membership

The Board may appoint such additional directors to the Committee or remove and replace members of the Committee by resolution.

Members may withdraw from membership by written notification to the Board.

Any director not formally a member of the Committee may attend Committee meetings however only nominated directors may vote on matters before the Committee.

Role of the Committee Chairman

The role of the Chairman is to ensure that the Committee fulfils its roles. The responsibilities of the Chairman include:

- Chairing Committee meetings;
- Providing leadership top the committee, facilitating and encouraging open debate to foster high performance; and
- Reporting to the Board the activities of the Committee.

Meetings and record keeping

Meetings are to be held not less than twice a year, with further meetings to be called, as required. A schedule of proposed meetings will be drawn up in advance for the ensuing year and agreed by members of the Committee. This schedule will include a list of matters to be considered throughout the year, having regard to the Committees responsibility outlined in Section 3.

The Company Secretary will be the Secretary of the committee, who will ensure Committee members and management are aware of the requirements to produce papers and to attend meetings.

The agenda and associated documents for each Committee meeting will be issued within a reasonable time prior to the meeting, to members and the Chief Executive Officer.

Meetings may be held in person, by phone, video conference or such other technology as agreed to by all members.

A quorum for the meeting of the Committee will consist of two members.

The Secretary will take minutes of all meetings held and keep records of all reports and recommendations made by the Committee. Any dissenting members shall be entitled to have the opinion of that member recorded in the minutes.

All resolutions are by simple majority, by the members present.

A resolution reached without any meeting of the Committee, evidenced in writing either through letters or through emails under the hands of all the Committee members shall be as valid and effectual as a resolution duly passed at a meeting of the Committee. Any resolution evidenced in writing may consist of several documents in like form signed in counterpart by one or more Committee members.

Reporting to the Board

The Chairman of the Committee will report to the Board on its activities, usually at the next Board meeting following a Committee meeting. Copies of minutes of Committee meetings are available on request.

Authority

The Committee is authorised by the Board to investigate any activity within its Charter. It is authorised to seek any information it requires from any Director or employee. All Directors and employees are required to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at meetings if the Committee deems it necessary.

The Committee is required to make recommendations to the Board on all matters within the Committee's charter and has no separate decision-making power.

Review

The Committee will review its performance and compliance with its terms of reference regularly taking into consideration any assessment or commentary provided by the Chairman of the Board.