

# QUICKSTEP HOLDINGS LIMITED

## POLICY AND PROCEDURE FOR SELECTION AND APPOINTMENT OF DIRECTORS

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### TABLE OF CONTENTS

1.0	INTRODUCTION AND PURPOSE .....	2
2.0	POLICY .....	2
3.0	PROCEDURE.....	2
3.1	Regular review of Board composition .....	2
3.2	Requirements of potential directors .....	2
3.3	Selecting a candidate.....	3
3.4	Appointment of director .....	3
3.5	Requirements after director is appointed.....	4
3.6	Letter of appointment.....	4
4.0	BOARD SKILLS AND DIVERSITY .....	4

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## **1.0 INTRODUCTION AND PURPOSE**

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This document outlines the policy and procedure Quickstep Holdings Limited (“Quickstep”, “the Company”) will follow in appointing a new director.

The Board should have sufficient Directors to discharge its obligations but no more than the maximum number of directors identified in the Company’s constitution. The majority of the Board should be independent.

## **2.0 POLICY**

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To ensure the Board of Quickstep consists of members with the range of skills and qualities to meet its primary responsibility for promoting the success of Quickstep and its subsidiaries (“**the Group**”) in a way that ensures the interests of shareholders and stakeholders are promoted and protected.

Retiring directors are not automatically re-appointed. Directors are appointed for a period of no more than three years and are subject to the selection and appointment procedures outlined below.

Board renewal is assured through a policy of regular Board skills matrix review (3.1.1. and 4.0) and special requirements for nomination after a director has served 6 years and/or two terms of office.

The Remuneration, Nomination and Diversity Committee (“**RND Committee**”) is responsible for recommending to the Board the appointment or re-appointment of all directors.

## **3.0 PROCEDURE**

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Directors should ensure the Company is properly managed to protect and enhance shareholder value, to meet the Company’s obligations to all stakeholders including shareholders, and to comply with all the Company’s legal obligations including compliance with the Corporations Act and ASX Listing Rules. In carrying out this duty, the Board should always be mindful of the need for establishing a Board that enhances the efficient and effective running of the Group. The following procedure is to be followed in selecting and appointing a new director to the Board of Quickstep:

### **3.1 Regular review of Board composition**

The RND Committee will regularly (at least annually) review the size and composition of the Board. This review should consider:

- 3.1.1 The Board’s current skills and qualities compared to the desired skills matrix outlined in Section 4; and
- 3.1.2 The needs of the Company for the current business structure as well as considering the future; and
- 3.1.3 The balance of independence.

### **3.2 Requirements of potential directors**

Potential Board candidates should:

- 3.2.1 Complement the current board composition – i.e. is there an appropriate mix of directors with business, financial and relevant industry experience and expertise
- 3.2.2 Have the required skills, knowledge and expertise to add value to the Board.

- 3.2.3 Provide the Board with further competencies and be able to provide independent and objective advice.
- 3.2.4 Have no material conflicts of interest with the Company.
- 3.2.5 Have a reputable standing in the business community.
- 3.2.6 Be able to commit the necessary time to their position. In general, the maximum number of directorships or equivalent positions for an individual should not exceed five, unless the director can clearly demonstrate that they have the time to commit to additional appointments. Each non-executive director should specifically acknowledge to the Company prior to appointment or being submitted for election that they will have sufficient time to meet what is expected of them.

### **3.3 Selecting a candidate**

- 3.3.1 The RND Committee will generate a list of potential candidates. This list can be developed using the Board members' networks and/or by using the services of an independent executive search firm.
- 3.3.2 The RND Committee will review the list of candidates to ensure they meet the requirements of the selection criteria and reflect the Board policy with respect to diversity. If no clear candidate stands out then a short list will be prepared and RND Committee members will interview each short-listed candidate. The RND Committee will then recommend to the Board for final interview, the preferred candidate to become a director of the Company.
- 3.3.3 Where there is a choice to be made between candidates, the Board has a responsibility to shareholders to enable a fair and professional comparative assessment of the candidates' skills and experience in light of identified Board needs with the objective that the election will result in the Board having the best mix of available skills to deal with the circumstances facing the Company.
- 3.3.4 Once the Board has agreed on the preferred candidate to become a director, that person should be approached by the Chairman of the Company and/or the Chairman of the RND Committee, as most appropriate in the particular circumstance, to provide a signed consent to act as a director of the Company.

### **3.4 Appointment of director**

- 3.4.1 The appointment of directors is to include the determination of the terms, conditions, responsibilities and expectations of the position such that any potential candidate can fit the criteria which satisfy the objective of the appointment.
- 3.4.2 Non-executive directors should be appointed subject to the Company's constitution, ASX Listing Rules and Corporations Act provisions.
- 3.4.3 Candidates' qualifications, professional experience and assertions will be verified prior to appointment, including but not limited to:
  - Tertiary /educational qualifications directly with the issuing institutions
  - Professional qualifications directly with the issuing institutions

- All board, executive and other relevant positions and assertions directly with the chair and/or most senior manager as appropriate
- References as required

### **3.5 Requirements after director is appointed**

- 3.5.1 Upon a candidate/s accepting nomination or appointment, the RND Committee is responsible for ensuring that all nomination and appointment procedures comply with the Company's constitution and the Corporations Act. The RND Committee is to forward any recommendation for appointment or removal of a director to the Board for consideration and further action.
- 3.5.2 The CEO is responsible for ensuring that the new director is inducted and that they have every opportunity to increase their knowledge about the Company to ensure that they can participate in an effective manner in Board deliberations. This process is to be monitored by the RND Committee.
- 3.5.3 The chair of the RND Committee is responsible for ensuring that all appropriate documentation in relation to the appointment is finalised. This includes such items as minutes, voting and contract documentation.
- 3.5.4 If the appointment is made between general meetings, the agreed candidate is to be appointed to fill a casual vacancy or as an addition to the Board. In accordance with the constitution of Quickstep, the director then holds office until the next annual general meeting and is eligible for election at that meeting. ASIC must be notified within 28 days of the appointment of a director to the Board.
- 3.5.5 Under and in accordance with Listing Rule 3.16.1, the ASX must be notified when there has been a change of Chairperson or appointment/resignation of a Director.

### **3.6 Letter of appointment**

Once a candidate has given their formal consent and the Board has resolved to appoint them as a director, the Company will send out a letter of appointment. This appointment letter should include the following:

- The term of the appointment, including period, commencement date, the need to retire at the next annual general meeting (if applicable) and then by rotation, at least every three years.
- Board's expectations of the Director.
- Expected time commitment.
- Special duties relating to the Director's special knowledge and experience.
- Induction process
- Procedure regarding conflict of interest
- Remuneration
- Superannuation arrangements
- Insurance arrangements

## **4.0 BOARD SKILLS AND DIVERSITY**

The Board has determined that the following cross section of skills are required for an effective Board. The RND committee will maintain a skills matrix, which will be reviewed from time to time.

- Experience in chairing boards, must be independent
- ASX reporting, management and financial accounting, must be independent and able to act as chair of the audit committee
- HR best practice including experience in determining remuneration and benefits, must be independent and able to act as chair of the remuneration committee
- Executive / P&L management
- Australian Government Relations
- Risk Management
- Workplace Health and Safety
- Environmental / Sustainability management
- Strategy development, implementation and assessment of execution
- Knowledge of advanced composite manufacturing
- Knowledge of the commercial and defence aerospace industry, including manufacturing and business development
- Knowledge of advanced manufacturing and the management of research and development
- Experience in capital markets, institutional funding and investor relations
- Experience in establishing and operating overseas business units
- Cyber security / Digitisation/ IT

The following Diversity issues will also be considered as part of a Director selection process:

- Gender
- Country of Birth
- Ethnicity
- Prime occupational background
- Regions of work experience
- Professional qualifications