Nominations and Remuneration Committee - Terms of Reference

Responsibility: FSO Board
Approved: 12 April 2023
Amended: -

1. Purpose

The Nominations and Remuneration Committee (NRC) has been established by the Board of Digital Skills Organisation (DSO) Ltd (trading as Future Skills Organisation (FSO)) to administer and perform some of the obligations of FSO in relation to:

- Oversight of succession planning for key appointments in the FSO executive.
- The review FSO Member applications to ensure potential Directors can be identified against the skills matrix.
- Oversight, maintenance and approval of the Skills Matrix to determine the skills, experience and expertise required for the Board.
- Provision of advice to the Members on board composition, board skills and Director rotations.
- Recommendation of all Director nominees to be considered by the Board as candidates for election to the Board.
- Oversight of the appointment of the CEO and the CEO's remuneration.

In performing its duties, the Committee will maintain effective working relationships with the FSO management, and other key stakeholders. To perform his or her role effectively, each Nominations and Remuneration Committee member will obtain an understanding of the detailed responsibilities of Nominations and Remuneration Committee membership as well as the FSO business, operations, and risks/opportunities.

The Board authorises the Committee in carrying out this Terms of Reference to:

- Where permitted by law or pursuant to contract, seek any information that it requires from any organisation, employee or director.
- See any information that it requires from any external party so long as any expense of the third party is first approved by the Board.
- Request the attendance of any employee or director at any Committee Meeting.

2. Composition and Structure of the Committee

The Nominations and Remuneration Committee shall have the following membership:

- The Committee will include 1 Employee Representative Director, 1 Employer Representative Director, 1 Independent Director and the Chair.
- The composition of the Committee shall be reviewed by the Board at least every two years.
- The Board may at any time and prior to the expiration of a Nominations Committee member's term, remove a committee member from the Committee.
- Management personnel are not to be members of the Committee.
- Each Nominations Committee member should be capable of making a valuable contribution to the Committee and will have the relevant qualifications to perform their role.
- A quorum for any meeting will be two Nominations Committee members.

3. Objectives of the Nominations and Remuneration Committee

The primary objective of the Committee is to provide advice on the rotation plan for the Board and succession plan for key appointments in the executive:

- to review and make recommendations to the Board on the rotation plan for the Board and Director nominees; and
- Succession planning for Chief Executive Officer (CEO) and other nominated key appointments.

4. Committee Responsibilities

- To manage the development of the Board Skills Matrix.
- To develop and maintain the Rotation Policy.
- To review all applications from nominees as Directors, interview such prospective Directors as the Committee may see fit and make recommendations to the Board as to appropriate persons to be considered by the Board as candidates for election or appointment to the Board.
- To maintain the rotation plan for Directors and succession plan for nominated key staff.
- To consider remuneration proposals by the CEO which are not a part of their normal delegations.
- To work with any 3rd party contractors who are supporting the development of the Board.
- To draft formal letters of appointment setting out clear expectations of time commitment, committee service and involvement outside scheduled meetings, for dissemination by the Board.

5. Meetings of the Nominations and Renumeration Committee

- Meetings will usually be held before scheduled Board meetings. The Chair will normally debrief the Board in the closed session at the end of the Board meeting.
- The Committee may invite such other persons to its meetings, as it deems necessary.
- A minimum of 2 meetings per year should be held.
- Minutes of the meeting are to be kept - this would normally be the responsibility of the Company Secretary.
- All recommendations of the Nominations and Remuneration Committee should be agreed by all members of the committee.