

# PROCEDURE FOR THE SELECTION AND APPOINTMENT OF NEW DIRECTORS

## CORPORATE POLICY

Imdex Limited ACN 008 947 813



### 1. PURPOSE

---

To ensure that there are defined procedures for the selection and appointment of new directors to the Imdex Limited board of directors (Board).

### 2. COMPOSITION AND STRUCTURE

---

- 2.1 The Board's charter requires that the Board comprise a majority of non-executive directors with a broad range of expertise, skills, experience and diversity to enable it to effectively discharge its responsibilities. Particular candidates may also be considered where they hold particular experience in the various activities conducted by the Imdex group.
- 2.2 The Remuneration and Nomination Committee (the Committee) assists the Board in fulfilling its responsibilities relating to the size and composition of the Board. The Committee makes recommendations to the Board on these matters.

### 3. IDENTIFICATION OF POTENTIAL BOARD CANDIDATES

---

- 3.1 The Board's procedure for nominating, selecting and appointing new non-executive directors may vary depending on the circumstances and needs of the Imdex Limited (Imdex or Company) at a particular time, but generally:
  - (a) The Committee will assess the range of qualifications, skills, knowledge, experience and diversity (including of gender, age, relationships and background) of the Board. The Board recognises that diversity is a competitive advantage bringing real value, adding to the collective skills and experience of the Board and allowing Board renewal with changing needs.
  - (b) This regular assessment enables the identification of the particular competencies and perspectives that will best increase the Board's effectiveness. The assessment is assisted by the development and use of a Board skills matrix to identify any gaps.
  - (c) Where a need is identified or arises, the Committee can address it by:
    - (i) having existing directors undertake further professional development; or
    - (ii) commencing a search process across a diverse candidate pool. This may involve engaging an executive search firm to identify potential appointees.
- 3.2 A short list of potential appointees is developed for detailed consideration and screening by the Committee. In screening short listed potential appointees, the Committee will consider the following:
  - (a) the qualifications, skills, experience and personal attributes of the potential appointee;
  - (b) the potential appointee's ability to match the needs of the Board;
  - (c) the extent to which the potential appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board;
  - (d) checks undertaken as to the potential appointee's character, experience, education, criminal record and bankruptcy history;
  - (e) the time commitment required by a non-executive director to effectively discharge his or her duties to the Company;
  - (f) the number of existing directorships and other commitments that may demand the attention of the potential appointee; and

- (g) the nature of the potential appointee's existing interests, positions, associations or other relationships that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.
- 3.3 The Chairperson, some or all other members of the Committee and the Managing Director will meet with some or all of the short listed potential appointees in person.
- 3.4 The Committee will recommend to the Board the most appropriate person(s) from the short list of potential appointees to be invited to join the Board.
- 3.5 Any decision on the appointment of a new non-executive director will be made by the Board.
- 3.6 The Board, generally as part of a Board meeting, would interview the candidate and also explain details of Imdex, its operations, policies and expectations. The Board, as a whole, shall consider the appointment and this is subject to the directors' voting arrangements set out in the Company's Constitution.

#### **4. APPOINTMENT TO BOARD**

---

- 4.1 Once the Board decides to appoint a new director, that director is expected to sign the Terms and Conditions for appointment of Non-Executive Directors and the Directors Consent to Act form. The director is provided with access to the Company's Constitution, the Board Charter and other relevant policies and procedures.
- 4.2 The director attends meetings with key senior executives and has an opportunity to discuss and ask questions about the relevant area.
- 4.3 Following this, an announcement would be made to the ASX containing various details concerning the director's skills and experience and the reason for the appointment to the Board. Appropriate details would also be provided to the ASX concerning the director's shareholdings in Imdex.

#### **5. ELECTION AND RE-ELECTION OF DIRECTORS**

---

- 5.1 In accordance with the Constitution, all new appointees to the Board are subject to election at the Annual General Meeting (AGM) following their appointment. Under the Constitution, no director (other than the Managing Director) may hold office without re-election past the third AGM following their appointment or three years, whichever is longer.
- 5.2 Prior to each AGM, the Board is to determine whether it will recommend to security holders that they vote in favour of the election or re-election (as the case may be) of each non-executive director standing for election or re-election, having regard to any matters the Board considers relevant, including the director's performance and the length of the director's tenure. The Board will also provide reasons to support that recommendation to security holders.
- 5.3 In support of their election or re-election, each non-executive director is to provide the Committee with details of their other directorships and positions that involve significant time commitments and an indication of the time involved. Each director will be asked to specifically acknowledge to the Board that they will have sufficient time to fulfill their role.
- 5.4 Each AGM notice of meeting involving the election or re-election of a director will contain all material information in the possession of Imdex to enable security holders to make an informed decision on the director's election or re-election.

## 6. RESPONSIBILITY

---

The Chairperson is ultimately responsible for compliance with this procedure, however it would be expected that all directors comply with this procedure.