

Remuneration and Nominations Committee

1. Purpose

The purpose of this Terms of Reference is to document the objectives, responsibilities, composition and administration of the Remuneration and Nominations Committee (“**R&N**” or “**Committee**”) of Industry Skills Australia Limited (“**ISA**”).

2. Objectives

The primary objective of the Committee is to assist the Board in relation to the selection and appointment of Directors, as well as the induction, remuneration and ongoing performance of the Board collectively, its Committees and Directors individually.

The Committee is also responsible for the selection, appointment and ongoing performance of the CEO, including provision of advice on remuneration.

3. Responsibilities

The main duties and responsibilities of the Committee are to:

3.1 Director, selection and appointment

- a) Ensure a formal and transparent procedure for the selection, appointment and re-appointment of Directors is developed and followed in accordance with funding guidelines.
- b) Consider the Board succession planning to ensure an appropriate balance of skills, experience, expertise and diversity is maintained to enable the Board to discharge its responsibilities effectively, having regard to the Board skills matrix.
- c) At least annually, review the Board skills matrix to assess whether the necessary and desirable skills, competencies and experience are represented on the Board.
- d) Call for expressions of interest to fill Director vacancies that arise from time to time.
- e) Assess Director applications, conduct interviews and make recommendations on Director appointments to the Board.
- f) Recommend to the Board appointments for any subsidiary and/or associated entities.

3.2 Board performance

- a) Ensure the development and maintenance of a Board induction program.
- b) Develop and implement a process for evaluating the performance of the Board.
- c) Identify areas for professional development for the Board as a whole and coordinate an annual Board development program.

3.3 Chief Executive Officer

- a) Ensure that at least annually the performance of the CEO is undertaken against agreed key performance indicators with recommendations to the Board about this process.

- b) As required, develop and implement a plan for approval by the Board, for the selection and appointment of a new or interim CEO, and oversee any process of searching for this position and make recommendations to the Board about this appointment.

3.4 Remuneration

- a) Oversee the implementation of the JSC Program Advice and Cost Principles as it relates to Director Payments.
- b) Regularly review and make recommendations to the Board about remuneration frameworks including ISA's remuneration policies and practices to support the long-term growth and success of ISA.
- c) Review and recommend to the Board at least annually the remuneration of the CEO, including any proposed changes to the terms of employment.
- d) Review and recommend to the Board at least annually the remuneration of staff, including any proposed changes to the terms of employment.

4. Composition and Meetings

4.1 Membership and Attendance at Meetings

- a) The Committee will consist of up to four (4) current Directors, comprising at least two (2) Independent Directors of the Board.
- b) The Chair of the Committee will be an Independent Director of the Board, but not the Chair of the Board, and appointed by the Board.
- c) A quorum of the Committee is any two (2) Members of the Committee, one of whom must be an Independent Director.
- d) If the Committee Chair is unable to attend a meeting, the Committee Chair will appoint and alternate Chair or who will act as Chair for the purposes of that Committee meeting.
- e) The CEO will be issued a standing invitation to attend each Committee meeting in a non-voting capacity. The CEO may be asked to leave the meeting when issues around CEO performance and remuneration are discussed. Other Members of management and advisors can also be invited to attend meetings at the discretion of the Committee Chair.
- f) The secretary of the Committee is the Company Secretary, or another person nominated by the Board.

4.2 Member terms

- a) The period of appointment for the Chair and members shall be up to two years with an option to serve up to two additional terms to a maximum of six years.

4.3 Meetings

- a) The Committee will meet as frequently as necessary to undertake its role effectively but no less than two (2) times per year. Additional meetings may be convened at the discretion of the Chair, or at the request of the Board, or any Committee Member.
- b) Meetings may be held in person, by telephone, or by video conference, or by any combination of these media.
- c) Members will receive relevant Committee papers at a reasonable time before each meeting, with an aim of receiving Committee papers at least one week prior to the relevant meeting.

- d) Committee Members must disclose all matters that could, or do, give rise to a conflict of interest in relation to a matter or decision being considered by the Committee.
- e) The Company Secretary, or other person nominated by the Committee Chair, takes minutes of the proceedings of all meetings of the Committee. The minutes are provided to the Committee Chair for review within three (3) days of the meeting and once approved by the Committee Chair, circulated to the Committee Members for information.
- f) The Committee may pass a resolution without a meeting of the Committee if all Members entitled to vote on the resolution assent to a document containing a statement that they are in favour of the resolution set out in the document. Separate copies of a document may be used for this purpose and/or an electronic signature or assent may be used, if the wording of the resolution and the statement is identical in each case.

5. Authority

- a) The Board has absolute authority over the Committee's findings and recommendations.
- b) The Board delegates authority to the Committee, within the scope of its responsibilities, to obtain any information it requires from any employee or external party, including management and internal and external auditors (with or without management present) and/or facilitate the attendance at Committee meetings of external parties with relevant expertise.

6. Reporting

- a) The Committee Chair reports to the Board after each meeting. The report must cover the findings and recommendations of the Committee.
- b) The papers and minutes of all Committee meetings are to be made available to the Board through the Board portal.

7. Review of Terms of Reference

The Terms of Reference will be revised every two (2) years. The Company Secretary shall be responsible for initiating and managing this process.

8. Related Documentation

- ISA's Constitution
- Board Charter
- Director Remuneration Policy
- Director Appointment Policy

Responsible Officer	Company Secretary	Approving Body:	Board
Policy Version:	V 2.0	Review period:	2 years
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