

Charter

Nomination & Governance Committee

1. Role of the Committee

The role of the Committee is as follows:

- Assessment of the necessary and desirable competencies and experience for Board membership.
- Assessment of the independence of each Director. Each Director must provide to the Board all relevant information. When the independent status of a Director is lost, the market will be immediately notified.
- Evaluation of the membership of the Board, Audit and Remuneration committees.
- Evaluation initially and on an on-going basis of Non-Executive Director's professional development, commitments, and their ability to commit the necessary time required to fulfil their duties to a high standard.
- Adherence by Directors to the Director's Code of Conduct and to good Corporate Governance.
- Review of Board succession plans.
- Recommendation for changes to committees.
- Recommendation of, and undertaking the appropriate checks, before for the appointment of new Directors.
- Recommendation of, and undertaking the appropriate checks, for the endorsement or non-endorsement of existing Directors.
- Ensuring that an effective induction process is in place for new Board members.
- Review and oversight of the Company's Corporate Governance Statement and governance related policies.

2. Principles of the Nomination & Governance Committee

The committee operates in accordance with the following broad principles:

- The Nomination & Governance Committee is entitled to seek the advice of an external consultant.
- The Nomination & Governance Committee will make recommendations to the Board. The Board is responsible to appoint the most suitable candidate, after receiving recommendations from the Nomination & Governance Committee. The nominated appointee upon acceptance will hold office until the next Annual General Meeting, where the appointee must retire and is entitled to stand for re-election.
- The Board is responsible to either recommend/not recommend endorsement of a Director at the next Annual General Meeting.
- The name of all candidates submitted for election as Director is accompanied with necessary information required by shareholders to make an informed decision including biographical details, competencies, qualifications, details of relationships between the Company, the candidate and Directors; other directorships held, particulars of other positions held which involve significant time commitments, and any other particulars required by law or good corporate governance. For existing Directors standing for re-election, the number of years as a Director of TechnologyOne will also be provided.
- Directors (with the exception of the Managing Director who is appointed by the Board) are appointed for a term of three years and as such stand for re-election every three years. One third of the Directors retire from office at each Annual General Meeting.

- A structured process has been established to review and evaluate the performance of the Board and its Committees. This process also identifies ways to improve their performance, interaction with management, and quality of information provided. The following information is provided in the Corporate Governance section of the Annual Report:
- The skills, experience and expertise relevant to the position of Director.
- The names of Directors considered by the Board to constitute independent Directors and the Company's materiality thresholds.
- The term of office held by each Director in office at the date of the Annual Report.
- The number of meetings of the Nomination Committee and the names of attendees.
- Explanation of any departures from the ASX Corporate Governance Principles and Recommendations.

3. Assessment of Director Independence

The Board has determined that an independent Director will meet all of the following criteria:

- Is not an Executive Director (i.e. not a member of management)
- Is not a substantial shareholder of the Company, as defined by Section 9 of the Corporations Act, or an officer of a company that is a substantial shareholder.
- Is not directly associated with a substantial shareholder of the Company.
- Within the last three years, has not been employed in an Executive capacity by the Company or another group member, or been appointed a Director within three years after ceasing to hold such employment, insofar as the Director was not appointed prior to the introduction of the ASX Principles of Good Corporate Governance in March 2003.
- Within the last three years, has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provider.
- Is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated, either directly or indirectly, with a material supplier or customer. This includes family members being in these categories.
- Has no material contractual relationship with the Company or another group member other than as a Director of the Company.
- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interest of the Company.
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interest of the Company.