

**Sonic Healthcare Limited**

---

**Nominations Committee Charter**

**23 September 2004**

## Table of Contents

<b>1. Constitution</b>	<b>3</b>
<b>2. Overall Purpose</b>	<b>3</b>
<b>3. Authority and Resources</b>	<b>3</b>
<b>4. Organisation</b>	<b>4</b>
Membership	<b>4</b>
Meetings	<b>4</b>
Minutes	<b>5</b>
<b>5. Roles and Responsibilities</b>	<b>5</b>
<b>6. Reporting Responsibilities</b>	<b>6</b>
<b>7. Evaluating Performance</b>	<b>6</b>
<b>8. Review of the Committee Charter</b>	<b>6</b>

## **1. Constitution**

The Board adopted the following terms of reference for the Sonic Healthcare Limited Nominations Committee on 23 September 2004.

## **2. Overall Purpose**

The selection, appointment and review of qualified, effective directors is essential to the proper governance of the Company.

The principal purpose of the Nominations Committee is to critically review the composition and effectiveness of the Board and Board sub-committees, and address the recruitment, appointment and removal of directors.

## **3. Authority and Resources**

The Board authorises the Nominations Committee, within the scope of its responsibilities, to:

- 3.1 Perform activities within its terms of reference.
- 3.2 Engage independent advisors (including recruitment agencies) as it deems necessary to carry out its duties, at the Company's expense.
- 3.3 Require the attendance of company officers at meetings as appropriate.
- 3.4 Have unrestricted access to members of management, employees and relevant information.
- 3.5 Interview, on behalf of the Board, candidates for Board positions.

## **4. Organisation**

### **4.1 Membership**

- 4.1.1 The Board of directors will nominate the Nominations Committee members and the Chairperson of the Committee.
- 4.1.2 The Chairperson of the Nominations Committee is to be an independent, non-executive director.
- 4.1.3 The Nominations Committee will be comprised of at least three members and have no more than four members, the majority of whom shall be independent, non-executive directors.
- 4.1.4 Each member should be capable of making a valuable contribution to the Committee.
- 4.1.5 Members will be appointed for a three year term of office and can be reappointed by the Board.
- 4.1.6 The Committee will appoint one of its members as Secretary.
- 4.1.7 A quorum of any meeting will be a majority of the Committee at the date of the meeting. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 4.1.8 Independence, as referred to in 4.1.2 above, is defined per the independence definition included in the ASX Principles of Good Corporate Governance and Best Practice Recommendations, Recommendation 2.1.

### **4.2 Meetings**

- 4.2.1 Only Committee members are entitled to attend meetings. The Nominations Committee may invite such other persons to its meetings as it deems necessary.
- 4.2.2 Meetings shall be held as required and may be convened by any member of the Committee with no less than three working days notice.
- 4.2.3 Members of the Nominations Committee should use their best endeavours to attend every meeting of the Committee.

### **4.3 Minutes**

- 4.3.1 The draft minutes of each Nominations Committee meeting are to be approved by the Chairman and circulated to all Committee members as soon as practicable but no later than the next Nominations Committee meeting at which the minutes of the meetings are to be confirmed.
- 4.3.2 A copy of the draft Nominations Committee minutes, once they have been approved by the Chairman, will be included in the papers for the next Board meeting.
- 4.3.3 Minutes are not a verbatim recording of the meeting but accurately record the resolutions of the Committee, key reasons for those decisions (where appropriate) and actions arising.
- 4.3.4 The minuted action statement from each Committee meeting is approved by the Chairperson and circulated to all Committee members as soon as practicable, but no less than 7 days, after each meeting.
- 4.3.5 Minuted actions in the action statement will include accountabilities, performance expectations and the nature and timing of subsequent reporting.

## **5. Roles and Responsibilities**

The Nominations Committee will:

- 5.1 Review the Board and Board Committee structure regularly. The Board has resolved that the position of Chairperson will be held by an independent Director, and that the positions of Chairperson and Managing Director will be held by different persons. The Board has also resolved that the mere fact that a Director has been in office for a period of greater than 10 years does not change that Director's status as independent.
- 5.2 Advise the Board on the recruitment, appointment and removal of Directors. An additional independent Director is to be recruited and appointed prior to 1 July 2005.
- 5.3 Assess the necessary and desirable competencies of Directors and develop a plan to enhance competencies.
- 5.4 Review Board succession plans.
- 5.5 Review and make recommendations in relation to remuneration of non-executive directors, noting that the Board has resolved that it is inappropriate for non-executive directors to receive equity based remuneration or bonuses.

## **6. Reporting Responsibilities**

The Nominations Committee will regularly update the Board about matters relevant to the Committee's role and responsibilities and make appropriate recommendations.

## **7. Evaluating Performance**

The Nominations Committee will:

- 7.1 Evaluate its own performance on an annual basis. This will include an assessment of the extent to which the Committee has discharged its responsibilities as set out in this Charter. The results of this evaluation will be reported to the Board.
- 7.2 Obtain feedback from the Board of Directors on the effectiveness of the Committee.

## **8. Review of the Committee Charter**

The Nominations Committee will review the Nominations Committee Charter annually and discuss any required changes with the Board and ensure that the Charter is approved or reapproved by the Board.