

Clover Corporation Limited

Board Nomination Policy and Procedure for Selection and Appointment of Directors

Approved 26th July 2016

1 Introduction

Directors should ensure the Company is properly managed to protect and enhance shareholder value, to meet the Company's obligations to all stakeholders including shareholders, and to comply with all the Company's legal obligations including compliance with the Corporations Act and ASX Listing Rules. In carrying out this duty, the Directors should always be mindful of the need for establishing a Board that enhances the efficient and effective running of the business.

1.0 Nomination Committee

The Board of Directors of Clover Corporation Limited (the Board) has established a Nomination Committee to provide recommendations to the Board regarding the skills required by the Board, the policy and procedure Clover will follow in the appointment of new Directors and re-election of existing Directors, succession plans for the Board and the development of a process to evaluate the performance of the Board and the Directors.

The Committee will comprise a Chairperson (chosen from Independent Board Directors), and at least two other Board Directors.

1.1 Purpose of policy

This policy has been established to clarify those issues that the Board has delegated to be considered by the Nomination Committee. The Board has adopted this policy in place of a Nomination Committee Charter.

2 Scope:

This policy applies to the Nomination Committee of Clover Corporation Limited.

3 Policy:

To ensure the Board of Clover Corporation consists of members with the range of skills and qualities to meet its primary responsibility for promoting the success of Clover in a way that ensures the interests of shareholders and stakeholders are promoted and protected.

Retiring directors are not automatically re-appointed. Directors are appointed for a period of no more than three years and are subject to the selection and appointment procedures outlined below.

Board renewal is initiated through a policy of regular Board skills matrix review.

The Nomination Committee is responsible for recommending to the Board the appointment or re-appointment of all directors.

4 Procedures:

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The following process will generally be applied by the Nomination Committee when appointing new Directors

4.0 Regular review of Board composition

The Nominations Committee will regularly (at least annually) review the size and composition of the Board. This review should consider:

- The Board's current skills and qualities compared to the desired skills matrix outlined in Attachment 1; and
- The needs of the Company for the current business structure as well as considering the future; and
- The balance of independence

4.1 Requirements of Potential Directors

Potential Board candidates should:

- Complement the current board composition – i.e. is there an appropriate mix of directors with financial expertise and relevant industry experience?
- Have the required skills, knowledge and expertise to add value to the Board.
- Provide the Board with further competencies and be able to provide independent and objective advice.
- Have no material conflicts of interest with the Company.
- Have a reputable standing in the business community.
- Be able to commit the necessary time to their position. In general, the maximum number of directorships or equivalent positions for an individual should not exceed five, unless the director can clearly demonstrate that they have the time to commit to additional appointments. Each non-executive director should specifically acknowledge to the Company prior to appointment or being submitted for election that they will have sufficient time to meet what is expected of them.

4.2 Selecting a Candidate

4.2.1 The Nominations Committee will generate a list of potential candidates. This list can be developed using the Nominations Committee members' networks, but these candidates must be added to the list generated by an external, independent executive search firm, and subject to the same rigour as every candidate accordingly.

4.2.2 The Nomination Committee will review the list of candidates to ensure they meet the requirements of the selection criteria and reflect the Board policy with respect to diversity. A short list will be prepared and recommended by the external search firm. The Nomination Committee members will interview each short-listed candidate. The Committee will then recommend to the Board the preferred candidate to become a director of the Company.

4.2.3 Any committee member with a personal or professional association with a candidate will be required to disclose that relationship. The Director may be required to excuse him or herself from the discussion of that candidate.

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- 4.2.4** Where there is a choice to be made between candidates, the Board has a responsibility to shareholders to enable a fair and professional comparative assessment of the candidates' skills and experience in light of identified Board needs and to advise shareholders about the outcome of that assessment, with the objective that the election will result in the Board having the best mix of available skills to deal with the circumstances facing the Company. As such, the Board will, in a Notice of Meeting, recommend to shareholders eligible to vote any candidate/s it considers will best fit the current identified needs of the Board.
- 4.2.5** Once the Board has agreed on the preferred candidate to become a director, that person should be approached by the Chairman of the Company and/or the Chairman of the Nomination Committee, as most appropriate in the particular circumstance, to provide a signed consent to act as a director of the Company.

4.3 Appointment of Director

- 4.3.1** The appointment of directors is to include the determination of the terms, conditions, responsibilities and expectations of the position such that any potential candidate can fit the criteria, which satisfy the objective of the appointment.
- 4.3.2** Non-executive directors should be appointed subject to the Company's constitution, ASX Listing Rules and Corporations Act provisions.
- 4.3.3** The ultimate decision about who is elected to the Board is to be made by the shareholders.
- 4.3.4** Candidates' qualifications, professional experience and assertions will be verified prior to appointment, including but not limited to:
- Tertiary /educational qualifications directly with the issuing institutions
 - Professional qualifications directly with the issuing institutions
 - All board, executive and other relevant positions and assertions directly with the chair and/or most senior manager as appropriate
 - Professional assertions, including at least two directors/managers to whom the candidate reported. Referee profiles and contact details are retained.
- 4.3.5** The Nominations Committee must provide shareholders with all relevant material information in the Company's possession relevant to a decision.

4.4 Requirements after Director is Appointed

- 4.4.1** Upon a candidate/s accepting nomination or appointment, the Nominations Committee is responsible for ensuring that all nomination and appointment procedures comply with the Company's constitution and the Corporations Act.
- 4.4.2** The CEO and Chair are responsible for ensuring that the new director is inducted and that they have every opportunity to increase their knowledge about the Company to ensure that they can participate in an effective manner in Board deliberations. This process is to be monitored by the Nominations Committee.
- 4.4.3** The chairperson of the Nominations Committee is responsible for ensuring that all appropriate documentation in relation to the appointment is finalised. This includes

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such items as minutes, voting and contract documentation.

- 4.4.4** If the appointment is made between general meetings, the agreed candidate is to be appointed to fill a casual vacancy or as an addition to the Board. In accordance with the constitution of Clover Corporation, the director then holds office until the next annual general meeting and is eligible for election at that meeting.
- 4.4.5** ASIC must be notified within 28 days of the appointment of a director to the Board.
- 4.4.6** Under Listing Rule 3.16.1, the ASX must be notified immediately when there has been a change of Chairperson or appointment/resignation of a Director.

4.5 Letter of Appointment

Once a candidate has given their formal consent and the Board has resolved to appoint them as a director, the Company will send out a letter of appointment. This appointment letter should include the following:

- The term of the appointment, including period, commencement date, the need to retire at the next annual general meeting (if applicable) and then by rotation, at least every three years.
- Board's expectations of the Director.
- Expected time commitment.
- Special duties relating to the Director's special knowledge and experience.
- Induction process
- Procedure regarding conflict of interest
- Remuneration
- Superannuation arrangements
- Insurance arrangements

5 Meetings

5.0.1 The Nomination Committee is to conduct the business set out in this policy during meetings specifically differentiated from Board meetings. At least one Nomination Committee meeting should be held each year.

5.0.2 Committee members are to excuse themselves from meetings while their nomination for re- election is being considered.

6 Review

The Nomination Committee is to periodically review this policy to keep it up to date with the responsibilities of Board Nomination Committees.

7 Publication:

This policy is to be made available on the Company's web site.