

NOMINATION COMMITTEE CHARTER

1. PURPOSE OF CHARTER

- 1.1 The Nomination Committee Charter sets out the role, composition, authority, responsibilities and operation of the Nomination Committee of the Board of Orbital Corporation Limited (“Orbital”) within the governance structure of Orbital Corporation Limited and all controlled entities (“the Orbital Group”)
- 1.2 Key features of the charter are outlined in the Annual Report. The charter is available to shareholders of the company upon request.

2. DEFINITION AND OBJECTIVE OF THE ORBITAL NOMINATION COMMITTEE

- 2.1 The Nomination Committee (“the Committee”) is a Committee of the Orbital Board (“the Board”).
- 2.2 The Committee’s primary function is to assist the Board in ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the highest standards of governance by:
 - Assessing the skills required on the Orbital Board;
 - From time to time assessing the extent to which the required skills are represented on the Orbital Board;
 - Establishing processes for the review of the performance of individual directors and the Board as a whole; and
 - Establishing processes for the identification of suitable candidates for appointment to the Board.

It also plays a role in evaluation of the performance of the Chief Executive Officer and management succession planning.

- 2.3 Membership of the Nomination Committee must be disclosed in the Annual Report.

3. MEMBERSHIP AND TERM

- 3.1 The Committee consists of a minimum of two non-executive Directors of the Board.
- 3.2 Committee members are appointed by the Board.
- 3.3 The term of appointment as a member is for a period of no more than three years, with Committee members generally being eligible for re-appointment for so long as they remain non-executive Directors of the company. The effect of ceasing to be a Director of the Board is the automatic termination of appointment as a member of the Committee.

4. CHAIRMAN

- 4.1 The Chairman of the Committee shall be a non-executive Director selected by the Board.
- 4.2 Should the Chairman be absent from a meeting and no Acting Chairman has been appointed, the members of the Committee present at the meeting have authority to choose one of their number to be Chairman for that particular meeting.

5. MEETINGS

Meetings Other than in Person

- 5.1 The Committee may conduct meetings without all Committee members being involved in the meeting in the physical presence of one another provided that all Committee members involved in the meeting are able to participate in discussion.

Frequency of Meetings

- 5.2 The Committee shall meet as and when required. The Chairman shall call such meetings of the Committee as the Chairman directs in order for the Committee to fulfil its duties.

6. ATTENDANCE AT MEETINGS AND QUORUM

- 6.1 The Chief Executive Officer will attend meetings by invitation to discuss the performance of direct reports.
- 6.2 The Committee may invite other Orbital executives and/or parties external to Orbital to attend any meeting of the Committee.
- 6.3 The quorum for a meeting is two members.

7. SECRETARY

- 7.1 The Orbital Company Secretary acts as Secretary of the Committee.

8. SCOPE & AUTHORITY

- 8.1 The activities of the Committee are in relation to the Orbital Group.
- 8.2 In determining the process for identifying suitable candidates for appointment to the Board, the Committee has the authority to appoint any appropriately qualified independent third party adviser it considers appropriate to undertake a search acting on a brief prepared by the Committee which identifies the skills sought.

9. REPORTING

- 9.1 Proceedings of all meetings are minuted and signed by the Chairman.
- 9.2 The Committee, through its Chairman, reports to the Board at the earliest possible Board Meeting after each Committee meeting. Minutes of all Committee meetings are circulated to the Committee members and the Chairman of the Board. Minutes, agenda and supporting papers, will be made available to any director upon request to the Secretary, providing no conflict of interest exists.

The report should include but not be limited to:

- any formal resolutions of the Committee;
- any other matters that in the opinion of the Committee should be brought to the attention of the Board, and any recommendations requiring Board approval and/or action; and
- at least annually, a review of the formal written charter and its continuing adequacy, and an evaluation of the extent to which the Committee has met the requirements of the charter.

10. DUTIES

- 10.1 The duties and responsibilities of a member of the Committee are in addition to those duties set out for a Director of the Board.
- 10.2 The Committee shall periodically assess the skills required to competently discharge the Orbital Board's duties, having regard to the strategic direction of the Company, and report the outcome of that assessment to the Board.
- 10.3 The Committee shall, as and when it considers appropriate, but in any event on each occasion on which an existing non-executive director retires, assess the skills represented on the Board by the non-executive directors and determine whether those skills meet the required skills as identified.
- 10.4 The Committee shall make recommendations to the Chairman of the Orbital Board on means by which skill levels of existing non-executive directors can be enhanced.
- 10.5 Having regard to the skills required and the skills represented, the Committee shall implement a process for the identification of suitable candidates for appointment to the Board of non-executive directors.
- 10.6 The Committee shall make recommendations to the Board on candidates it considers appropriate for appointment.
- 10.7 The Committee shall inform the Board of the names of non-executive directors who are retiring in accordance with the provisions of the Constitution and will make recommendations to the Board as to whether the Board should support the re-nomination of that retiring director.
- 10.8 In making recommendations under paragraph 10.7, the Committee will undertake a process of review of the retiring non-executive director's performance during the period in which the non-executive director has been a member of the Board, and in so doing will conduct that review by whatever means it consider appropriate including assessment of performance by peers and self.
- 10.9 A member of the Committee shall not participate in the review of his or her own performance.

11 FEES

- 11.1 Committee members are entitled to receive remuneration as determined from time to time by the Board.

12 REVIEW OF CHARTER

- 12.1 The Nomination Committee Charter is reviewed annually by the Committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities.
- 12.2 Significant changes to the Charter are recommended by the Committee and approved by the Board.