

Policy – Director Tenure and Skills Matrix



1. Purpose

This policy sets out the approach of the Board of Directors of DMTC Limited (“DMTC”, “The Company”), to the tenure and skills of Directors on the Board.

2. Policy scope/coverage

This policy is applicable to Directors and is subject to review by the Board of Directors.

The Board has the responsibility to review and consider the composition and structure of the Board and its Committees, to ensure that an appropriate balance of specialisation, skills, tenure and diversity is reflected.

This policy sets out the tenure and specific skills expectations for DMTC’s directors to ensure the Board is at all times operating in a co-ordinated and effective manner so as to best promote the interests of DMTC Limited and its stakeholders. This policy aims to comply with ASX Corporate Governance Principles and Recommendations (ASX Principles), Australian Institute of Company Directors (AICD) Not-for-profit Governance Principles, and also takes into account DMTC’s business environment and Constitution.

3. Policy statement

3.1. Policy Overview

Directors should ensure the Company is properly managed to meet the Company’s obligations to all stakeholders and to comply with all the Company’s legal obligations including compliance with DMTC Limited Company Constitution, the Corporations Act, Australian Charities and Non-Profit Commissions Act 2012, ASX and AICD NFP Principles. In carrying out this duty, the Board should always be mindful of the need for establishing a Board that enhances the efficient and effective running of the Company.

The Board will ensure application of section 3.2 of this policy in relation to Director tenure. The Board will also assess the Board’s current skills and qualities compared to the desired skills matrix outlined in Sections 3.3 and 3.4.

3.2. Tenure

The DMTC Board recognises it is well served by having a mix of directors, some with a longer tenure with a deep understanding of the Company and its business and some with a shorter tenure with fresh ideas and perspective. The mere fact that a Director has served on the Board for a substantial period does not diminish the value and performance of the Board.

The Constitution sets forth parameters around Director retirement and reappointment. Pursuant to clause 25.3 of DMTC Limited Company Constitution, a Director must retire from office at the conclusion of the second annual general meeting after the Director was last appointed. In addition, pursuant to clause 26.1, a retiring Director is eligible for re-election as a Director in accordance with clause 25.

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Additionally, however, this policy seeks to enshrine additional best-practice provisions around longer term tenure of Directors. As such, where a Director's tenure will become greater than 7 years at the point of their next candidacy for re-election, such re-election should be endorsed by majority approval of current Directors prior to the annual general meeting. In the event that this board endorsement is not provided and the candidate wishes to self-nominate, the candidate will be identified as not having received board endorsement at the time of the election.

3.3. Constitutional Skills Matrix

Schedule 1, item 3 of the DMTC Limited Company Constitution requires that the Board's collective skills must include the following to support effective Governance.

- be skilled and experienced in managing research and education processes;
- have commercial skills and experience relevant to Defence industry covering a range from small and medium enterprises (SMEs) through to Defence primes;
- have skills and experience in Defence systems and policies, including knowledge of capability development and acquisition processes; and
- have skills and experience in financial management, risk management and corporate governance.

3.4. Board Skills Matrix

The Board may, from time to time, seek to include additional skills to those listed in 3.3, as and when required to support the Board's governance and oversight obligations. The current Board mandated skills matrix is listed below.

- No additional skills mandated at this time

3.5. Director selection and election

The Chair of the election process at general meetings is required to ensure that election of Directors maintains compliance with the required constitutional skills and Board Skills matrix.

4. Linked Policies, Procedures and Forms

- [DMTC Company Constitution](#)
- DMTC Board Charter
- [Policy – Diversity and Inclusion](#)
- [Policy – Director Independence](#)