

Altium Human Resources Committee Charter

1. Purpose

The purpose of this Charter is to set out the authority delegated to the Human Resources Committee (“Committee”) established by the Board of Directors of Altium Limited (“Board”) and to set out the role, responsibilities, membership and operation of the Committee.

2. Role of the Committee

2.1 Nomination

The Committee assists and advises the Board on:

- (a) director selection and appointment practices;
- (b) Board, committees and director performance evaluation processes and criteria;
- (c) director induction and development programs;
- (d) board and board committee composition; and
- (e) succession planning for the Board, CEO and senior executives,

to ensure that the Board is of a size and composition conducive to making appropriate business decisions, with the benefit of a variety of perspectives and skills and in the best interests of Altium.

2.2 Remuneration

The Committee assists and advises the Board on remuneration strategy, policies and practices for the Board, the Chief Executive Officer (“CEO”) and Executive Team members. The policies and practices are designed to:

- (a) enable Altium to attract, retain and motivate directors and executives who will create value for shareholders;
- (b) be fair and appropriate having regard to the performance of Altium and the relevant director or executive; and
- (c) comply with relevant legal requirements.

2.3 Human Resources

The Committee oversees the human resources strategy, policies and key processes for Altium, on behalf of the Board, to ensure that it provides:

- (a) a rich supply and ongoing development of high calibre talent with the capability to lead the company now and into the future;
- (b) a high-performance, values led culture and employee engagement that will drive organisation success.

2.4 Health and Safety

The Committee ensures, on behalf of the Board, that appropriate policies and practices are in place to enable Altium to meet its statutory obligations and the Board’s commitment to health and safety.

3. Nomination Responsibilities

The Committee is responsible for:

- (a) identifying and making recommendations to the Board regarding the necessary and desirable attributes and skills of directors;
- (b) making recommendations to the Board regarding the size of the Board and its committees so that the size encourages efficient decision-making whilst providing coverage of required skills;

- (c) developing and reviewing the process for the selection, appointment and re-election of directors;
- (d) identifying and making recommendations to the Board for the appointment of new directors and re-election of existing directors, having regard to the need for a balance of skills, experience, expertise and tenure (existing directors only);
- (e) reviewing and updating the Board Skills Matrix when appropriate, to assist in points (a) thru (d);
- (f) perform appropriate Reference and Security Checks on potential Director candidates;
- (g) overseeing the development and implementation of director induction and development programs on an ongoing basis
- (h) overseeing the development and implementation of a process for evaluating the performance of the Board, Board committees, and directors individually on an annual basis; and
- (i) reviewing Board, CEO and senior executive succession plans and processes.

4. Remuneration Responsibilities

The Committee is responsible for:

- (a) reviewing and recommending to the Board for approval the company's remuneration principles, objectives and policy, informed by market practices and legislative and regulatory requirements;
- (b) reviewing and recommending to the Board for approval any performance management frameworks, new or changes to incentive schemes and variable remuneration plans, including consideration of performance thresholds and regulatory and market requirements;
- (c) within the terms of the agreed policies, recommending to the Board for approval the performance scorecard measures and outcomes and total remuneration packages for the CEO, Executive Directors and key senior executives (including base pay and, where appropriate, bonuses, incentive payments and share allocations or options), the latter in consultation with the CEO;
- (d) reviewing and recommending to the Board for approval the fees (inclusive of superannuation) for non-executive directors;
- (e) reviewing and recommending to the Board for approval the company's mandatory shareholding policy and monitoring compliance with it
- (f) reviewing and recommending to the Board the policy for and scope of superannuation arrangements for all employees;
- (g) reviewing and recommending to the Board the policy and/or guidelines for senior executive service agreements, termination payments, sign on and compensation commitments; and
- (h) reviewing and recommending to the Board for approval the Remuneration Report.

5. Human Resources Responsibilities

The Committee is responsible for:

- (a) ensuring that Altium's human resources strategy, policies and key procedures are appropriate to the company's needs, are clearly designed and effectively executed;
- (b) Reviewing and making recommendations to the Board for approval of key HR policies; and
- (c) assisting the Board in ensuring that Altium has a set of corporate values (and hence defined culture) that is clearly communicated and exhibited by all employees, including factoring values-based performance into reward determinations

6. Health and Safety Responsibilities

The Committee is responsible for:

- (a) reviewing and monitoring the effectiveness of Altium's health and safety policies and key procedures, including making recommendations to the Board for approval of policies as necessary; and
- (b) keeping informed by management of any changes to relevant legislation and ensuring that any statutory requirements are reflected in the appropriate policy and/or procedures and implemented in a timely manner.

7. Reporting and Disclosure

The Committee is responsible for:

- (a) liaising with the Audit and Risk Committee in relation to:
 - risk considerations in determining CEO and senior executive rewards;
 - Altium's remuneration related reporting in the financial statements; and
 - the annual remuneration report required by the Corporations Act.
- (b) reviewing Altium's compliance with the ASX Corporate Governance Guidelines, informed by the company secretary and as it pertains to the HR Committee's charter. The Committee will review and make recommendations to the company secretary on updates to the HR relevant sections where necessary and including where the HR Committee believes the company is not able to implement or follow a HR relevant guideline.

8. Delegation

The Committee may delegate any of its powers and responsibilities as the Committee considers appropriate for the administration of senior executive and employee share, option or other plans, to senior management.

9. Membership

9.1 Composition and Size

The Committee will consist of at least three directors appointed by the Board, all of whom should be independent, non-executive directors.

9.2 Chairperson

The Chairperson of the Committee must be a non-executive director. The Chairperson of the Committee is to be appointed by the Board. In the absence of the Committee Chairperson, the remaining members present shall elect one of their number to chair the meeting.

9.3 Secretary

The Company Secretary, or their nominee, shall act as the Secretary of the Committee.

10. Committee Meetings and Processes

10.1 Frequency and Calling of Meetings

The Committee will meet at least twice a year and more frequently, as required to perform its functions. The Chairperson of the Committee must call a meeting of the Committee if requested by any member of the Committee, external auditor, internal auditor or the Chairperson of the Board.

10.2 Notice of Meetings

Unless otherwise agreed, notice of each meeting confirming the venue time and date together with an agenda of items to be discussed shall be forwarded to each member of the Committee, and any other person required to attend and all other executive directors, no fewer than five working days prior to the date of the meeting, unless shorter notice is agreed by all participants.

10.3 Quorum

Two directors constitute a quorum for meetings of the Committee.

10.4 Attendance by Management and Advisors

The Committee Chairperson may invite the CEO, Chief Financial Officer or other senior executives who are not members of the Committee and external advisors to attend meetings of the Committee.

10.5 Minutes

The Committee will minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Minutes of the meetings will be circulated to all members of the Committee.

10.6 Reporting to the Board

The Chairperson of the Committee will report to the Board after each Committee meeting at the next scheduled Board meeting. Minutes of the Committee meetings will be provided to the Board for noting.

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10.7 Access to Information and Advisers

The Committee will have the appropriate resources to discharge its duties and responsibilities, including engaging counsel or other experts as it considers appropriate. This may include requesting management or engaging external remuneration consultants to provide information to the Committee.

10.8 Annual General Meeting

The Committee Chairperson or any other member of the Committee so nominated will attend the Annual General Meeting and be prepared to respond to any shareholder questions with respect to the Committee's activities.

10.9 Shareholder Advisory Entities

The Committee authorises the Committee Chairperson or any other member of the Committee so nominated to engage with shareholder advisory firms, in relation to remuneration issues, as appropriate.

11. Review and Publication of the Charter

- (a) The Committee will review its charter from time to time and report to the Board of any changes it considers should be made.
- (b) The charter may be amended by resolution of the Board.
- (c) This charter will be made available on Altium's website.

Reviewed and Approved by the Board 20 August 2018