



APPOINTMENT AND SELECTION OF NEW DIRECTORS

1. OVERVIEW

- 1.1 This summary outlines the procedure for the appointment and selection of new directors and the re-election of incumbent directors of Carly Holdings Limited ("Carly Holdings" or the "Company").
- 1.2 To the extent practicable, the Company has followed the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations with 2010 and 2012 Amendments* (3rd Edition).

2. PROCEDURE FOR THE SELECTION AND APPOINTMENT OF DIRECTORS TO FILL A CASUAL VACANCY

- 2.1 Assess the current Board's skills and qualities.
- 2.2 Assess the needs of the Company currently and going forward.
- 2.3 Develop selection criteria for potential board candidate(s).
- 2.4 Informal discussion by the Board to generate a list of potential candidates who may fill the stated criteria.
- 2.5 Where considered necessary, use of the services of an independent executive search firm to assess the appropriateness of potential candidates or to supplement a candidate list provided by directors.
- 2.6 Measure the final potential candidate(s) against the selection criteria.
- 2.7 The Board examines the final list of candidate(s) and agrees on order of preference.
- 2.8 Chairman approaches desired candidate(s).
- 2.9 Candidate is appointed to the Board in accordance with the Constitution of Carly Holdings.

3. PROCEDURE FOR RE-ELECTION OF INCUMBENT DIRECTORS

- 3.1 Assess the current Board's skills and qualities.
- 3.2 Assess the needs of the Company currently and going forward.
- 3.3 Develop criteria required.

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- 3.4 Measure the retiring director's skills against the criteria.
- 3.5 Directors discuss and agree whether the retiring director should stand for re-election at the next annual general meeting.
- 3.6 If recommended for re-appointment, the retiring director stands for re-election at the next annual general meeting in accordance with the Constitution of Carly Holdings, the ASX Listing Rules and the *Corporations Act*. Otherwise the new director selection process commences.

4. REVIEW OF POLICY

The Board will review this Policy from time to time to ensure it remains consistent with the Board's objectives and responsibilities.

5. PUBLICATION OF POLICY

This Policy will be available on the Company's website and the key features will be published in the corporate governance statement.

Approved by the Board of Carly Holdings Limited on 30 September 2015.