

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) director performance evaluation processes and criteria; (c) board composition; and
- (c) succession planning for the Board 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 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 for Altium, on behalf of the Board, to ensure that it provides:

- (a) a rich supply of high calibre talent with the capability to lead the company now and into the future;
- (b) training and development that will equip employees with the skills and knowledge to perform their duties and achieve their individual level of potential; and
- (c) a high performance 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 regarding the necessary and desirable competencies of directors;
- (b) making recommendations regarding the size of the Board so that the size encourages efficient decision-making;
- (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 Board candidates, having regard to their skills, experience and expertise;
- (e) overseeing the development and implementation of a process for evaluating the performance of the Board, Board committees, and directors individually;
- (f) reviewing Board and senior executive succession plans and processes, including for the CEO;
- (g) Perform appropriate reference and security checks on potential Director candidate; and
- (h) maintaining awareness of each director’s tenure, to maintain an appropriate balance of skills, experience and expertise

4. Remuneration Responsibilities

The Committee is responsible for:

- (a) determining and agreeing with the Board the framework or broad policy for the remuneration of Altium's Chairman, CEO and senior executives, taking into account all factors deemed necessary¹;
- (b) regularly reviewing any incentive schemes and equity based remuneration, including consideration of performance thresholds and regulatory and market requirements;
- (c) within the terms of the agreed policy, recommending the total remuneration packages for the CEO and Executive Directors to the Board (including base pay and, where appropriate, bonuses, incentive payments and share allocations or options) and advise on the total remuneration packages of senior executives in consultation with the CEO; and
- (d) determining the policy for and scope of superannuation arrangements, service agreements for senior executives, termination payments and compensation commitments.

5. Human Resources Responsibilities

The Committee is responsible for ensuring that the Altium's human resources strategy, policies and procedures are appropriate to the company's needs and clearly designed and executed.

6. Health and Safety Responsibilities

The Committee is responsible for reviewing and monitoring the effectiveness of Altium's health and safety processes and procedures. The Committee is also responsible for keeping informed of any changes to relevant legislation and ensuring that any statutory requirements are implemented in a timely manner.

7. Reporting and Disclosure

The Committee will liaise with the Audit and Risk Committee in relation to Altium's remuneration related reporting in the financial statements and remuneration report required by the Corporations Act.

In most instances Altium complies with the ASX Corporate Governance Guidelines, should the company not be able to implement or follow a guideline the Committee will ensure that the reasons for this will be detailed in the company's annual Corporate Governance Statement. A copy of the statement will be lodged annually with the ASX and will also be available on the Altium website www.altium.com

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.

¹ The remuneration of non-executive directors shall be a matter for all directors of the Board. No director shall be involved in any decision as to his or her own remuneration.

9. Membership

9.1 Composition and Size

The Committee will consist of at least three directors appointed by the Board, a majority of whom are 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

Meetings of the Committee will be held at the request of any member.

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, any other person required to attend and all other non-executive directors, no fewer than five working days prior to the date of the meeting.

10.3 Quorum

Two directors constitute a quorum for meetings of the Committee, of whom at least one must be a non-executive director.

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 other 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 and to all members of the Board.

10.6 Reporting to the Board

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

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

The Committee will review its charter from time to time and report to the Board of any changes it considers should be made. The charter may be amended by resolution of the Board.

This charter will be made available on Altium's website.

Reviewed and Approved by the board 24 August 2015