

1. ROLE OF THE COMMITTEE

The role of the Remuneration and Nomination Committee (Committee) is to assist the Board of Directors (Board) in establishing policies and practices which:

- (a) enables the Company to attract and retain capable directors and employees who achieve operational excellence and create value for shareholders;
- (b) reward employees fairly and responsibly, taking into consideration the results of Grange, individual performance and industry remuneration conditions; and
- (c) assist the Board to meet its oversight responsibilities in relation to corporate governance practices.

2. DUTIES

2.1 Remuneration

The Committee has the following remuneration duties which include reviewing and making recommendations where appropriate to the Board on:

- (a) remuneration strategy and overall policy;
- (b) the remuneration of the Managing Director and any matters pertaining to contractual arrangements;
- (c) The remuneration of any other executive director, the Chief Operating Officer, General Manager – Operations, the Chief Financial Officer, Company Secretary and any other direct reports to the Managing Director;
- (d) the incentive framework (including the determination of performance hurdles, targets and KPI's);
- (e) equity-based executive and employee incentive plans;
- (f) ensuring that the remuneration structure is aligned with the Company's approach to risk and does not encourage inappropriate risk taking behaviors;
- (g) non-executive director remuneration;
- (h) recruitment, retention, succession planning, performance measurement and termination policies and procedures for non-executive directors, the Managing Director, any other executive director, Company Secretary and direct reports to the Managing Director;
- (i) the full disclosure of the levels and processes for setting the remuneration for directors, the Managing Director and key management personnel in the Company's public materials including the Annual Report, ASX filings and media releases;

- (j) whether, and if so when, shareholder approval of aspects of the remuneration policy and practice is required;
- (k) liaison and communication with key stakeholders in relation to remuneration governance issues (eg remuneration strikes) as required;
- (l) ensuring non-executive director remuneration remains within shareholder approved limits.
- (m) review any non routine remuneration arrangements (including retention bonuses and terminations pertaining to senior staff);
- (n) approval of non salary benefits for executive directors, the Managing Director and his direct reports;
- (o) review of requests from senior executive staff to take up external for profit Board appointments;
- (l) consider the performance of the Managing Director and his direct reports on at least an annual basis;
- (m) review and make a final determination on any staff grievances about remuneration or performance matters which are unable to be resolved by the management team;
- (n) monitor external remuneration trends and market conditions;
- (o) agree and adopt guidelines for engaging and dealing with remuneration consultants and selection of remuneration consultants / advisors as required; and
- (p) oversee corporate governance practices in relation to remuneration.

2.2 In relation to any equity-based remuneration plans the Committee's duties are to:

- (a) monitor and make recommendations to the Board in respect of the design and implementation of all equity-based plans, including performance hurdles and incentive pool amounts;
- (b) link rewards to the creation of value for shareholders;
- (c) review these plans in the light of legislative, regulatory and market developments;
- (d) in relation to each equity-based plan, consider each year whether awards should be made under it and the amount thereof; and
- (e) consider whether circumstances exist under which it would be appropriate for the Board to exercise any discretion reserved to it under the rules.

2.3 Nomination and termination

- (a) periodically assess the skills required by the Board, having regard to Grange's current circumstances and to its strategic plans for the future;
- (b) review the proposed appointments of direct reports to the Managing Director;
- (c) when the Committee considers appropriate, and in any event prior to the retirement of an existing non-executive director, compare the competencies required by the Board with the competencies represented on the Board by its non-executive directors and thereby identify any current or potential future competency gaps;
- (d) when it is necessary to appoint a new non-executive director, to implement a process to identify and evaluate against normally accepted nomination criteria suitable candidates for appointment as non-executive director(s);
- (e) conduct searches for new Board members including the Managing Director;
- (f) ensure that Director pre-appointment checks are undertaken in accordance with the ASX Corporate Governance Guidelines and consider the outcomes;
- (g) review and assess any nominations received from shareholders in accordance with the required and preferred criteria;
- (g) at the completion of the above process, to recommend preferred candidate(s) to the Board which the Committee has assessed as being appropriate for appointment;
- (h) recommend processes to annually evaluate the performance of the Board, its committees and individual directors;
- (i) identify each non-executive director who will be required to retire at Grange's next general meeting of shareholders and make recommendations to the Board regarding the Board's support for their re-election, having regard, as a minimum, to performance assessments referred to above;
- (j) prepare and review the Board's succession plan on a regular basis; and
- (k) review and oversee the termination arrangements or transition to retirement arrangements for any executive director or direct reports to the Managing Director.

2.4 New Board members are required to possess the particular skills, knowledge, experience and expertise that will best complement Board effectiveness at that time.

In its evaluation of candidates for the Board, the - Committee will have regard to normally accepted nomination criteria including:

- (a) the ability to exercise sound business judgment;
- (b) a position of leadership or prominence in a specified field;
- (c) absence of conflicts of interest or other legal impediments to serving on the Board;

- (d) a willingness to devote the required time;
- (e) availability to attend Board and Committee meetings;
- (f) appropriate experience and/or professional qualifications; and
- (g) integrity and moral reputation.

2.5 In considering overall Board balance, the Committee will give due consideration to the value of a diversity of backgrounds and experiences among the members, and any existing or impending competency gaps on the existing Board.

2.6 When preparing and reviewing the Board succession plan the Committee will consider:

- (a) Board size;
- (b) director tenure and independence;
- (c) Grange's long term growth strategy and desired Board competencies with regard to this strategy;
- (d) skills, experience and expertise of existing directors;
- (e) probable retirement dates for existing directors; and
- (f) the performance of existing directors.

3. **Other Duties:**

- (a) at least annually review this Charter and consider whether any changes are appropriate and make recommendations to the Board to amend the charter accordingly;
- (b) participate in an annual review of the Committee's performance and effectiveness;
- (c) review the Company's annual Remuneration Report to ensure the disclosure complies with the ASX Corporate Governance Principles and Recommendations;
- (d) review all reporting by the Company of its remuneration policies and practices including valuations applied to equity plans;
- (e) consider succession planning for senior executives;
- (f) agree the protocol for authorizing the expense claims made by the Managing Director;
- (g) consider and oversee the Company's diversity policy, review diversity progress and reporting;
- (h) consider any proposed external directorships for the Managing Director or his direct reports;
- (i) undertake an annual review of the Board's collective skills and maintain a Board skills matrix setting out the skills and diversity that the Board has or is looking to achieve;
- (j) Identify areas for Board training and develop a program to address knowledge gaps;

- (k) Conduct an annual assessment as to the independence of all Non-executive Directors and after any change in a Non-executive Director's interests, positions, associations or relationships;
- (l) Assess the independence of any Director serving in excess of 10 years on behalf of the Board; and
- (i) undertake any other duties and activities that the Board may consider appropriate.

4. Membership

- (a) The Board determines the membership of the Committee.
- (b) The Committee will comprise solely of non-executive directors.
- (c) There shall be at least three Committee members, a majority of whom will be independent non-executive directors.
- (d) The Board shall appoint one of the independent non-executive directors to serve as the Committee's Chairman.
- (e) At least one member of the Committee will be familiar with the current legal and regulatory disclosure and have adequate contemporary knowledge of executive remuneration issues and policies within the Australian market.

5. Meetings

- (a) The Committee will meet at least three times annually, and more frequently as it deems necessary. Meetings may be held by face to face or any technological means by which members can participate in a discussion.
- (b) The quorum for a meeting of the Committee will be two members
- (c) Representatives of management may be invited to attend part or all of any meeting of the Committee.
- (d) Where a matter considered by the Committee is the subject of a conflict of interest for a Director or Committee member, the relevant minutes and/or papers may be withheld from that individual, and they may be requested to withdraw from the meeting during the consideration of that item in accordance with the Directors' Conflict of Interest Policy.
- (e) The Committee may meet with external advisers, any executive or other employee, any other non-executive Director, and may do so with or without management present.
- (f) The Chairman of the Committee will report to the Board (at the next Board meeting) on the proceedings of each Committee meeting, bringing forward all Committee recommendations requiring Board approval.

- (g) The Secretary shall:
- i) in conjunction with the Chairman of the Committee, settle agendas for and arrange meetings of the Committee so as to ensure timely coverage of all the Committee's business;
 - ii) distribute agendas and supporting papers to Committee members sufficiently far in advance of scheduled meetings to permit adequate preparation;
 - iii) keep and distribute minutes of each meeting to Committee members; and
 - iv) include a copy of the minutes in the papers of the next regular Board meeting.

Approved by the Board - 28 August 2014