

**REMUNERATION AND NOMINATION COMMITTEE CHARTER**

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**1. ROLE**

The role of the Remuneration and Nomination Committee is to assist the Board in establishing and reviewing that the board and its committees comprise of individuals who are best able to discharge their responsibilities as directors and committee members. The Remuneration and Nomination committee shall have direct access to the resources and information of the company as required. This Charter defines the Remuneration and Nomination Committee's function, composition, mode of operation, authority and responsibilities.

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**2. COMPOSITION**

- (a) The Committee shall comprise where practicable at least three non-executive Directors, the majority being independent non-executive Directors.
  - (b) The Committee will be chaired by an independent Director who will be appointed by the Board.
  - (c) The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.
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**3. PURPOSE**

- (a) The Remuneration and Nomination Committee is a Committee of the Board. The Charter may be subject to review by the Board at any time.
- (b) The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:
  - (i) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
  - (ii) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
  - (iii) recommending to the Board the remuneration of executive Directors;
  - (iv) fairly and responsibly rewarding executives having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
  - (v) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;

- (vi) reviewing and approving the remuneration of Director reports to the Chief Executive Officer/Managing Director, and as appropriate other senior executives; and
  - (vii) reviewing and approving any equity based plans and other incentive schemes.
  - (viii) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
  - (ix) ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.
- (c) The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

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#### **4. DUTIES AND RESPONSIBILITIES**

In order to fulfil its Nomination responsibilities to the Board the Committee shall:

Periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:

- (a) Review and make recommendations to the Board on remuneration strategy and overall policy;
- (b) identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after assessment of how the candidates can contribute to the strategic direction of the Company;
- (c) undertake appropriate checks before appointing a candidate, or putting forward to security holders a candidate for election, as a Director;
- (d) ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment;
- (e) prepare and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve);
- (f) approve and review induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities;

- (g) assess and consider the time required to be committed by a non-executive Director to properly fulfil their duty to the Company and advise the Board;
- (h) consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- (i) review Directorships in other public companies held by or offered to Directors and senior executives of the Company;
- (j) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- (k) arrange an annual performance evaluation of the Board, its Committee, senior executives, and individual Directors;
- (l) make recommendations to the Board on the appropriate size and composition of the Board; and
- (m) make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board.

2. In order to fulfil its Remuneration responsibilities to the Board the Committee shall:

- (a) Executive Remuneration Policy
  - (i) Review and approve the Company's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and Directors who can create value for shareholders.
  - (ii) Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
  - (iii) Ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market.
- (b) Executive Directors and Senior Management
  - (i) Consider and make recommendations to the Board on the remuneration for each executive Director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy.
  - (ii) Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports of the Chief Executive Officer/Managing Director. As part of this review the Committee will oversee an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether

strategic objectives are being achieved and the development of management and personnel.

- (c) Executive Incentive Plan  

Review and approve the design of any executive incentive plans.
- (d) Equity Based Plans
  - (i) Review and approve any equity based plans that may be introduced (**Plans**) in the light of legislative, regulatory and market developments.
  - (ii) For each Plan, determine each year whether awards will be made under that Plan.
  - (iii) Review and approve total proposed awards under each Plan.
  - (iv) In addition to considering awards to executive Directors and direct reports to the Chief Executive Officer/Managing Director, review and approve proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee.
  - (v) Review, approve and keep under review performance hurdles for each equity based plan.
  - (vi) Review, manage and disclose the policy (if any) under which participants to a Plan may be permitted (at the discretion of the Company) to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Plan.
- (e) Other  

The Committee shall perform other duties and activities that it or the Board considers appropriate.
- (f) Disclose the policies and practices regarding the remuneration of non-executive directors, executive directors and other senior executives.

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## 5. APPROVALS

The Committee must approve the following prior to implementation:

- (a) changes to the remuneration or contract terms of executive Directors and direct reports to the Chief Executive Officer/Managing Director;
- (b) the Plans or amendments to current equity plans or executive cash-based incentive plans;
- (c) total level of awards proposed from equity plans or executive cash-based incentive plans; and

- (d) termination payments to executive Directors or direct reports to the Chief Executive Officer/Managing Director. Termination payments to other departing executives should be reported to the Committee at its next meeting.

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**6. MEETINGS**

- (a) The Committee will meet as and when circumstances may require for it to undertake its role effectively.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairperson of the Committee.
- (c) Where deemed appropriate by the Chairperson of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
- (d) A quorum shall consist of two members of the Committee. In the absence of the Chairperson of the Committee or their nominees, the members shall elect one of their members as Chairperson of that meeting.
- (e) Decisions will be based on a majority of votes with the Chairperson having a casting vote.
- (f) The Committee Chairperson, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next Board meeting.
- (e) Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

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**7. SECRETARY**

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee, and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meeting of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

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**8. RELIANCE ON INFORMATION OR PROFESSIONAL OR EXPERT ADVICE**

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (g) an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;

- (h) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (i) another Director or officer of the Group in relation to matters within the Director's or officer's authority.

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**9. ACCESS TO ADVICE**

- (a) Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) The Committee may consult independent experts to assist it in carrying out its duties and responsibilities. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

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**10. REVIEW OF CHARTER**

- (j) The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner, and will update the Charter as required or as a result of new laws or regulations.
- (k) The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.

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**11. REPORT TO THE BOARD**

- (a) The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.
- (b) The Committee must brief the Board promptly on all urgent and significant matters.