

# **Nomination and Remuneration Committee Charter**

## **1. Role**

The role of the Nomination and Remuneration Committee is to assist the Board in monitoring and reviewing any matters of significance affecting the composition and remuneration of the Board and the Executive Team. This Charter defines the Nomination and Remuneration Committee's function, composition, mode of operation, authority and responsibilities.

## **2. Composition**

The Board will strive to adhere to the following composition requirements for the Committee where at all possible. However, the Board acknowledges that the composition of the Board may not allow adherence to the following composition requirements from time to time.

- a) The Committee shall comprise at least three non-executive Directors, the majority of whom must be independent, one of whom will be appointed the Committee Chairman.
- b) The Board may appoint additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

## **3. Purpose**

The primary purpose of the Committee is to support and advise the Board in:

- a) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
- b) 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) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors that will create value for shareholders;
- d) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- e) recommending to the Board the remuneration of executive Directors;
- f) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration levels adopted by similar companies;

- g) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- h) reviewing and approving the remuneration of direct reports to the Managing Director, and as appropriate other senior executives; and
- i) reviewing and approving any equity based plans and other incentive schemes.

## **4. Duties and Responsibilities of the Committee**

### **4.1 Nomination**

- a) Periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors.
- b) Make recommendations to the Board on the appropriate size and composition of the Board.
- c) 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.
- d) Undertake appropriate checks before appointing a candidate, or putting forward to security holders a candidate for election, as a Director, including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate).
- e) Ensure that all material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director, including:
  - i. biographical details (including relevant qualifications and experience and skills);
  - ii. details of any other material directorships currently held by the candidate;
  - iii. where standing as a Director for the first time, any material adverse information revealed by the checks, details of any interest, position, association or relationship that might materially influence their capacity to be independent and act in the best interests of the Company and its shareholders, and a statement whether the Board considers the candidate is considered to be independent;
  - iv. where standing for re-election as a Director, the term of office served by the Director and a statement whether the Board considers the candidate is considered to be independent; and
  - v. a statement by the Board whether it supports the election or re- election of the candidate.
- f) 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. For these purposes, a senior executive is a member of key management personnel (as defined in the Corporations Act), other than a Director.

- g) Prepare and maintain a Board skills matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve). The Company must disclose this matrix in, or in conjunction with, its Annual Report.
- h) Approve and review induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.
- i) 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.
- j) Consider and recommend to the Board candidates for election or re- election to the Board at each annual shareholders' meeting.
- k) Review Directorships in other public companies held by or offered to Directors and senior executives of the Company.
- l) Review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board.
- m) Arrange an annual performance evaluation of the Board, its Committee, individual Directors and senior executives as appropriate.

#### **4.2 Executive Remuneration Policy**

- a) Review and approve the Group'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.
- b) Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
- c) 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.

#### **4.3 Executive Directors and Senior Management**

- a) 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.
- b) Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports of the Managing Director. As part of this review the Committee will oversee an annual performance evaluation of the senior 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) Approve changes to the remuneration or contract terms of executive Directors and direct reports to the Managing Director.
- d) Approve termination payments to executive Directors or direct reports to the Managing Director. Termination payments to other departing executives should be reported to the Committee at its next meeting.

#### **4.3 Executive Incentive Plans (including Equity Based Plans)**

- a) Review and approve the design of any executive incentive plans (Plans).
- b) Review and approve any Plans that may be introduced in the light of legislative, regulatory and market developments.
- c) For each Plan, determine each year whether awards will be made under that Plan.
- d) Review and approve total proposed awards under each Plan.
- e) In addition to considering awards to executive Directors and direct reports to the 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.
- f) Review, approve and keep under review performance hurdles for each Plan.
- g) 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.

#### **4.4 Other**

The Committee shall perform other duties and activities that it or the Board considers appropriate.

### **5. Meetings**

- a) The Committee will meet at least once a year and additionally as circumstances may require.
- b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- c) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or conference call.
- d) A quorum shall comprise any two members of the Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman.
- e) Decisions will be based on a majority of votes with the Chairman having a casting vote.
- f) The Committee may invite executive management team members or other individuals, including external third parties to attend meetings of the Committee, as they consider appropriate.

### **6. 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 meetings 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.

## **7. 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:

- a) an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- b) 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
- c) another Director or officer of the Group in relation to matters within the Director's or officer's authority.

## **8. 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.

## **9. Review of Charter**

- a) 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.
- b) 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.

## **10. Reporting**

- 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.  
The Company must disclose the policies and practices regarding the nomination of non-executive directors, executive directors and other senior executives in, or in conjunction with, the annual report and as otherwise required by law.