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# REMUNERATION AND NOMINATION COMMITTEE CHARTER

## 1. COMPOSITION

1.1 The Remuneration and Nomination Committee must comprise at least three Directors.

1.2 Whilst the Company is working toward:

(a) the majority of the members of the Remuneration and Nomination Committee being independent; and

(b) the Chairman of the Remuneration and Nomination Committee being independent,

it is noted that this composition is not currently reflected. As soon as practicable following listing on the ASX, the Board will seek to appoint two suitably qualified independent non-executive Directors and consider appointing both those independent non-executive Directors to the Remuneration and Nomination Committee. The Board is committed to good corporate governance and will seek to achieve the Remuneration and Nomination Committee composition requirements set out in the ASX Corporate Governance Principles and Recommendations.

1.3 The Board will appoint members of the Remuneration and Nomination Committee. The Board may remove and replace members of the Remuneration and Nomination Committee by resolution.

1.4 Other Directors, the Company Secretary and senior executives, may be invited to Remuneration and Nomination Committee meetings at the discretion of the Remuneration and Nomination Committee.

## 2. PURPOSE

The purpose of the Remuneration and Nomination Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

(a) implementing an executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;

(b) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;

(c) recommending to the Board the remuneration of executive Directors;

(d) reviewing and commenting on superannuation arrangements (if any are applicable);

(e) 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;

(f) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;

(g) reviewing and approving the remuneration of direct reports to the Managing Director, and, as appropriate, other senior executives;

(h) reviewing and approving any equity based plans and other incentive schemes;

(i) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body;

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- (j) recommending to the Board on the appointment and re-election of the Directors;
  - (k) developing a process for evaluation of the performance of the Board, its Committees and Directors;
  - (l) 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; and
  - (m) arranging annual performance evaluations of senior executives of the Company.

### **3. DUTIES AND RESPONSIBILITIES**

In order to fulfil its responsibilities to the Board, the Remuneration and Nomination Committee shall review and provide recommendations to the Board on the following matters.

#### **3.1 Executive Remuneration Policy**

The Remuneration and Nomination Committee must:

- (a) 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;
- (b) implement and subsequently review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs; and
- (c) ensure that any 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.

#### **3.2 Executive Directors and Senior Management**

The Remuneration and Nomination Committee must:

- (a) consider and make recommendations to the Board on the remuneration for each executive Director (including base pay, incentive payments, equity awards, retirement rights, termination payments, service contracts) having regard to the executive remuneration policy; and
- (b) review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports to the Managing Director. As part of this review the Remuneration and Nomination Committee will oversee an annual performance evaluation of the executive team.

#### **3.3 Non-Executive Directors**

The Remuneration and Nomination Committee must:

- (a) implement and subsequently review the on-going appropriateness and relevance of the non-executive remuneration policy; and
- (b) consider and make recommendations to the Board on the remuneration for each non-executive Director (as distinct from the remuneration structures of executive Directors and senior executives) having regard to the non-executive remuneration policy.

#### **3.4 Executive Incentive Plan**

The Remuneration and Nomination Committee must review and approve the design of any executive incentive plans.

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### 3.5 Equity Based Plans

The Remuneration and Nomination Committee must:

- (a) review and approve any equity based plans that may be introduced (**Plans**) in the light of legislative, regulatory and market developments;
- (b) for each Plan, determine each year whether awards will be made under that Plan;
- (c) review and approve total proposed awards under each Plan;
- (d) 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 Remuneration and Nomination Committee; and
- (e) review, approve and keep under review performance hurdles for each equity based plan.

### 3.6 Nomination

The Remuneration and Nomination Committee must:

- (a) 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;
- (b) approve and review induction procedures for new appointees of the Board to ensure that they can effectively discharge their responsibilities;
- (c) assess and consider the time required to be committed by a non-executive Director to properly fulfil his or her duty to the Company and advise the Board;
- (d) consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- (e) review directorships in other public companies held by or offered to Directors and senior executives of the Company;
- (f) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- (g) arrange an annual performance evaluation of the Board, its Committees and individual Directors;
- (h) make recommendations to the Board on the appropriate size and composition of the Board; and
- (i) make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board.