

# NOMINATION AND REMUNERATION COMMITTEE CHARTER

## Membership of the Committee

The Committee must consist of:

- a majority of independent Directors
- an independent Director as Chair; and
- a minimum of three members

The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board

Non-committee members, including members of management may attend all or part of a meeting of the Committee at the invitation of the Committee Chair. If the invitee has a material personal interest in a matter being considered he/she must not be in attendance whilst such a matter is being considered.

The Company Secretary will attend all Committee meetings as minute secretary.

## 2. Roles and Responsibilities

The responsibilities of the Committee in relation to Remuneration are as follows:

- review and recommend to the Board the remuneration arrangements for the Chairman and the non-executive Directors of the Board, including fees, travel and other benefits
- review and recommend arrangements for the Managing Director and senior management, including contract terms, annual remuneration and participation in the Company's short and long term incentive plans;
- review major changes and development in the Company's remuneration, recruitment, retention and termination policies and procedures for the Managing Director and senior management;
- review major changes and developments in the remuneration policies, superannuation arrangements, personnel practices and industrial relations strategies;
- review the senior management performance assessment process and results as they reflect the capability of management to realise the business strategy;

- review and approve short term incentive strategy, performance targets and bonus payments;
- in respect of the Company's employee equity incentive plans in place from time to time:
  - approve the proposed terms of, and authorise the making of, offers to eligible employees of the Group, including determining the eligibility criteria applying in respect of an offer;
  - review and determine the performance hurdles applicable to the Managing Director, the executives reporting to the Managing Director and senior management who participate in the equity incentive plan;
  - review and approve, within the parameters of the employee equity incentive plans, amendments to the terms of existing plans; and
  - review and approve the terms of any trust deed applying in relation to the employee equity incentive plans and any amendment to any such trust deed including authorising the execution of any such trust deed or amending deed on behalf of the Group;
- recommend to the Board the extent to which the achievement of measurable diversity objectives will be linked to the key performance indicators for the Board, Managing Director and senior management;
- review and make recommendations whether there is any gender or other inappropriate bias in remuneration for Directors, senior management or other employees; and review and recommend to the Board the remuneration report prepared in accordance with the Corporations Act 2001 (Clth) for inclusion in the annual Directors' report.
- The responsibilities of the Committee in relation to Nomination are as follows:
  - review and recommend to the Board the size and composition of the Board, including review of Board succession planning;
  - review and recommend to the Board the induction and continuing professional development programs for Directors;
  - assist the Board as required in relation to the performance evaluation of the Board, its committees and individual Directors;
  - review and recommend membership of the Board, including:

- making recommendations for the re-election of Directors, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves; and
- assisting the Board as required to identify individuals who are qualified to become Board members (including in respect of executive Directors), in accordance with the policy outlined in section 3.2; review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time;
- with the appropriate support and input from management:
  - review on an annual basis:
    - the effectiveness of the Diversity Policy, its objective and the strategies which aim to achieve the objective; and
    - the division and responsibilities and accountability for developing and implementing diversity initiatives across the organisation; and
  - provide a report to the Board on the outcomes of its review, including any recommendations for changes to those strategies or the way in which they are implemented.

### **3. Policy**

#### **3.1. Remuneration Policy**

In discharging its responsibilities, the Committee must have regard to the following policy objectives:

- to ensure the Company’s remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders and having regard to relevant Company policies;
- to attract and retain skilled executives;
- to structure short and long term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
- to ensure any termination benefits are justified and appropriate.

In the discharge of the Committee’s responsibilities, no executive should be directly involved in determining their own remuneration.

The Committee must at all times have regard to, and notify the Board as appropriate, of all legal and regulatory requirements, including any shareholders approvals which are necessary to fulfil its responsibilities.

The Committee Chair, or if he or she is not available, a Committee member should attend the Annual General Meeting and make himself available to answer any questions from shareholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements

### **3.2. Policy, procedure and disclosure of the selection and appointment of new Directors**

#### **3.2.1. Policy**

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness;
- the existing composition of the Board, and the objective of achieving a Board comprising Directors with a broad range of skills, expertise and experience from a broad range of backgrounds, including gender;
- the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
- potential conflicts of interest and independence

#### **3.2.2. Procedure**

- Prepare a description of the role and capabilities required for a particular appointment.
- Detailed background information in relation to a potential candidate should be provided to all Directors. This should include checks as to the person's character, experience, education, criminal record and bankruptcy history.
- The identification of potential Director candidates may be assisted by the use of professional intermediaries as appropriate.
- An offer of a Board appointment must be made by the Chair only after having consulted all Directors, with any recommendations from the Committee having been circulated to all Directors.

- All new Board appointments should be confirmed by letter in the standard format as approved by the Board or the Committee from time to time.

### **3.2.3. Disclosure**

Each year, the Committee will prepare a report for the Board outlining the following details of the Board selection process with a view to including either the report or a summary of the report in the annual report:

- details of a Board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership;
- the process by which candidates are identified and selected, including whether professional intermediaries are used to identify and/or assess candidates;
- the steps taken to ensure that a diverse range of candidates are considered; and the factors taken into account in the selection process.

## **4. Administrative Matters**

### **4.1. Meetings**

The Committee will meet as often as the Committee members deem necessary in order to fulfil its role. However, it is intended that the Committee will normally meet every six months.

### **4.2. Quorum**

The quorum is at least 2 members.

### **4.3. Convening and notice of meeting**

Any member may, and the Company Secretary must, upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee of every meeting of the Committee at the member's advised address for service of notice (or such other pre-notified interim address where relevant), but there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

### **4.4. Chair**

In the absence of the Committee Chair, the Committee members must elect one of their members as Chair for the meeting. The Chair does not have a casting vote.

#### **4.5. Access to resources and independent advisers**

The Committee is to have access to adequate internal and external resources. The Committee may seek the advice of the Company's auditors, solicitors or other independent advisers (including external consultants and specialists) as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

If the Committee seeks external remuneration advice, the Committee will ensure that any such recommendations will be made free from bias and undue influence by members of the key management personnel to whom the recommendations may relate. In these instances, the Chairman of the Committee must directly engage the remuneration consultant, and receive all reports directly from the remuneration consultant.

#### **4.6. Minutes**

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee Chair, be presented at the next Board meeting. All minutes of the Committee must be entered into a minute book maintained for that purpose and will be open at all times for inspection by any Director.

#### **4.7. Reporting**

The Committee Chair will provide a brief oral report at the next Board meeting as to any material matters arising out of the Committee meeting. All Directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.

#### **5. Review**

The Board will, at least once in each year, review the membership and Charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

The Board