

1. 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. The Nomination and Remuneration Committee shall be structured so that it:

- (a) consists of a majority of independent directors;
- (b) is chaired by an independent director; and
- (c) has at least three members.

From time to time, non-Committee members may be invited to attend meetings of the Committee, if it is considered appropriate.

2. Role

The role of the Nomination and Remuneration Committee is to examine the selection and appointment practices of the Company, including strategies to address Board diversity and compliance with the Company's *Diversity Policy*, although the Board retains ultimate responsibility for these practices.

The role of the Committee is also to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations to the Board on:

- (a) remuneration packages of executive Directors, non-executive Directors and senior executives; and
- (b) employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

3. Operations

The Committee shall meet at least once a year and otherwise as required. Minutes of all meetings of the Committee are to be kept and a report of actions taken are to be given at each subsequent meeting of the full Board. Committee meetings will be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

4. Responsibilities

(a) Size and Composition of the Board

To ensure that the Board has the appropriate blend of directors with the necessary skills, expertise, relevant industry experience and diversity, the Committee shall:

- (i) regularly review the size and composition of the Board and make recommendations to the Board on any appropriate changes;
- (ii) identify and assess necessary and desirable director skills and competencies and provide advice on the skills and competency levels of directors with a view to enhancing the Board;
- (iii) make recommendations on the appointment and removal of directors;
- (iv) make recommendations on whether any directors whose term of office is due to expire should be nominated for re-election;
- (v) regularly review the time required from non-executive directors and whether non-executive directors are meeting that requirement;
- (vi) regularly review the Company's *Diversity Policy* and make recommendations to the Board as to any strategies required to address Board diversity; and
- (vii) regularly review and report to the Board at least annually on the relative proportion of women and men at all levels of the economic group controlled by Company.

(b) Selection Process of new Directors

The Committee shall review the Company's *Policy and Procedure for Selection and (Re)Appointment of Directors* and the Company's *Diversity Policy*. Such procedure should be transparent to promote investor understanding and confidence in the process.

The Committee is empowered to engage external consultants in its search for a new director, particularly as a means to increase the presentation of candidates which meet the requirements and targets set pursuant to the Company's *Diversity Policy*.

The initial appointment of a new Director is made by the Board. The new Director will be required to stand for election at the Company's next general meeting.

(c) Performance Appraisal Competency

The Committee shall:

- (i) develop a process for evaluation of the performance of the Board, Board committees, and when deemed appropriate by the Chair, individual Board members in accordance with the Company's *Process for Performance Evaluation*;
- (ii) implement ways of enhancing the competency levels of directors;
- (iii) consider and articulate the time required by Board members in discharging their duties efficiently;
- (iv) undertake continual assessment of directors as to whether they have devoted sufficient time in fulfilling their duties as directors;
- (v) develop a process for and carry out an evaluation of the performance of the Managing Director in accordance with the Company's *Process for Performance Evaluation*;
- (vi) develop a process for and to have carried out, an evaluation of the performance of other senior executives in accordance with the Company's *Process for Performance Evaluation*;
- (vii) review and implement the Company's *Induction Program*;
- (viii) ensure new directors participate in the *Induction Program*; and
- (ix) provide all directors with access to ongoing education relevant to their position in the Company, including education concerning key developments in the Company and in the industry and environment within which it operates.

(d) Succession Plans

The Committee shall review the Company's succession plans. Succession plans are to assist in maintaining the appropriate mix of skills, experience, expertise and diversity on the Board.

(e) Remuneration

The responsibilities of the Committee include a review of and recommendation to the Board on:

- (i) the Company's *Remuneration Policy* and framework;
- (ii) senior executives' remuneration and incentives;
- (iii) superannuation arrangements; and
- (iv) remuneration by gender.

Executive Remuneration

In considering the Company's *Remuneration Policy* and levels of remuneration for executives, the Committee makes recommendations which:

- (i) motivates executive Directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework;
- (ii) demonstrates a clear correlation between senior executives performance and remuneration;
- (iii) aligns the interests of key leadership with the long-term interests of the Company's shareholders; and
- (iv) prohibits executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

To the extent that the Company adopts a different remuneration structure for its executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

Non-Executive Remuneration

In considering the Company's *Remuneration Policy* and levels of remuneration for non-executive Directors, the Committee is to ensure that:

- (i) fees paid to non-executive Directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;
- (ii) non-executive Directors are remunerated by way of fees (in the form of cash and superannuation benefits);
- (iii) non-executive Directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (iv) non-executive Directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders. To the extent that non-executive Directors do participate in equity-based remuneration schemes, they are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

To the extent that the Company adopts a different remuneration structure for its non-executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

Incentive Plans and Benefits Programs

The Committee is to:

- (i) review and make recommendations concerning long-term incentive compensation plans, including the use of share options, performance rights and other equity-based plans. Except as otherwise delegated, the Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
- (ii) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- (iii) continually review and if necessary improve any existing benefit programs established for employees.

5. Authority and Resources

The Company is to provide the Committee with sufficient resources to undertake its duties. The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration. The Committee has the authority, as it deems necessary or appropriate, to access advice from external consultants or specialists.

ANNUAL ACTION POINTS

The Nomination & Remuneration Committee will monitor its obligations under the Nomination & Remuneration Committee Charter by addressing the following action points at the designated quarterly meetings¹, and documenting relevant information in Committee Minutes for presentation to the Board.

Action Items	Q1	Q2	Q3	Q4
<input type="checkbox"/> Regularly review the size/composition of the Board and make recommendations	✓			
<input type="checkbox"/> Identify and assess necessary and desirable skills and competencies/provide advice	✓	✓	✓	✓
<input type="checkbox"/> Make recommendations on appointment/removal of directors	✓	✓	✓	✓
<input type="checkbox"/> Make recommendations on re-appointment of directors	✓			
<input type="checkbox"/> Review time required from non-executive directors, and monitor commitments	✓	✓	✓	✓
<input type="checkbox"/> Review Diversity Policy and make recommendations as to strategies to address Board Diversity				✓
<input type="checkbox"/> Review and report annually on proportion of women and men at all levels of organisation	✓			
<input type="checkbox"/> Review Policy and Procedure for Selection and (Re)Appointment of Directors and Diversity Policy				✓
<input type="checkbox"/> Evaluate the performance of the Managing Director in accordance with the Process for Performance Evaluation	✓			
<input type="checkbox"/> Ensure evaluation of performance of other Senior Executives is carried out in accordance with the Process for Performance Evaluation	✓			
<input type="checkbox"/> Review the Induction Program and ensure new inductions are undertaken by Directors				✓
<input type="checkbox"/> Ensure that a Succession Plan is developed and reviewed for Senior Executives and the Board	✓			
<input type="checkbox"/> Review the Remuneration Policy and framework and make recommendations to the Board				✓
<input type="checkbox"/> Review and make recommendations in relation to Senior Executive remuneration and incentives, superannuation and remuneration by gender	✓			
<input type="checkbox"/> Review and make recommendations in relation to non-executive directors' remuneration	✓			
<input type="checkbox"/> Review Incentive Plans and Benefits Programs	✓			

¹ Quarterly meetings means meetings held in the financial year quarters as detailed below: (Q1 = July-September, Q2 = October-December, Q3 = January-March, and Q4 = April-June).