

Nomination and Remuneration Committee Charter

Emperor Range Group Limited **(Company)**

Release 1

Approved by the Board: 26 Nov 2013

1. Overview

- 1.1. The Board of Emperor Range Group Limited (Company) has established a Nomination and Remuneration Committee (Committee).
- 1.2. This Charter sets out the responsibilities, structure and composition of the Committee.

2. Objectives

- 2.1. The Committee has the objective to assist the Board in fulfilling its corporate governance responsibilities in regard to nomination and remuneration matters by reviewing and making recommendations to the board on:
 - 2.1.1. procedures for the selection and recommendation of candidates suitable for appointment to the Board;
 - 2.1.2. periodically assessing the appropriate mix of skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
 - 2.1.3. a process for the review of the performance of the Board, Board Committees and individual directors;
 - 2.1.4. Board and management development plans;
 - 2.1.5. monitoring the length of service of current Board members, considering succession planning issues and identifying the likely order of retirement by rotation of non-executive directors;
 - 2.1.6. appointment, evaluation and removal of the Chief Executive Officer and Board members;
 - 2.1.7. development and review of the company's remuneration, recruitment, retention and termination policies and procedures for senior executives;
 - 2.1.8. reviewing the appointments and terminations to senior executive positions;
 - 2.1.9. senior executives' remuneration and incentives;
 - 2.1.10. superannuation arrangements;
 - 2.1.11. the remuneration framework for directors;
 - 2.1.12. remuneration by gender; and
 - 2.1.13. the time required to fulfil the obligations of a non-executive director and whether directors are able to meet these expectations board and management succession plans;
 - 2.1.14. board education and management development plans.
- 2.2. The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

3. Remuneration Package Content – Executive Directors and Senior Executives

- 3.1. The Committee will design the Company's remuneration policy to motivate senior executives to pursue the long-term growth and success of the company and demonstrate the clear relationship between senior executives' performance and remuneration.
- 3.2. The Company may remunerate executive directors' and senior executives' via fixed and/or incentive packages taking into account the following objectives:
 - 3.2.1. **Fixed** - Fixed remuneration will be reasonable and fair, taking into account the Company's legal and industrial obligations and labour market conditions, and should be relative to the scale of business. It will reflect core performance requirements and expectations.
 - 3.2.2. **Performance-based remuneration** - Performance based remuneration will be linked to clearly specified performance targets in promoting the interests of the Company and shareholders. Incentive schemes will be designed around performance benchmarks that measure relative performance and provide rewards for materially improved Company performance.
 - 3.2.3. **Equity-based remuneration** - Equity-based remuneration, including stock options, will be linked to performance objectives or hurdles. Schemes will be designed to reward for the long-term performance of the Company.
 - 3.2.4. **Termination payments** - Termination payments for Managing Directors will be agreed in advance, including detailed provisions in case of early termination, except for removal for misconduct. Agreements will include a clear articulation of performance expectations. Consideration will be given to the consequences of an appointment not working out, and to the costs and other impacts of early termination.

4. Remuneration Package Content - Non Executive Directors

- 4.1. The Company may remunerate Non-Executive Directors via fixed packages. The Company may take into account the following objectives when determining remuneration:
 - 4.1.1. Non-Executive Directors will be remunerated by way of fees (in the form of cash, non-cash benefits, superannuation contributions or equity); they will not participate in schemes designed for the remuneration of executives.
 - 4.1.2. Non-executive Directors must not receive options or bonus payments.
 - 4.1.3. Non-executive Directors should not be provided with retirement benefits.

5. Committee Composition and Membership Requirements

- 5.1. If possible the Committee will consist of:
 - 5.1.1. a minimum of three members;
 - 5.1.2. a majority of independent directors, and
 - 5.1.3. will be chaired by an independent chairperson.

- 5.2. All Committee members should attend the Committee meetings. At least two meetings per year must be undertaken, but more may be held when necessary. Any member may convene a meeting, but reasonable notice should be given prior to the meeting. An agenda should be provided to the members prior to the meeting, where possible.
- 5.3. Only members of the Committee will be entitled to attend, unless invited by the Committee. The Committee may invite members of management, executives and representatives from the Human Resources Department, and other parties to join the meeting.
- 5.4. The quorum at meetings of the Committee will be two members present at all times.

6. Additional considerations

- 6.1. The Committee will at all times consider if any of this information is required to be disclosed in accordance with the company's continuous disclosure document.
- 6.2. The Committee will report to the board and relevant information, and this charter will be made public on the company's website.

7. Access to resources

- 7.1. The Board will ensure that the Committee has access to internal and external resources, including access to advice from external consultants or specialists in the conduct of its activities.
- 7.2. The Committee must ensure that the Company board is provided with sufficient information to ensure informed decision making in relation to those areas in which the Committee is responsible for reporting to the Board.

8. Review of Charter

- 8.1. The Company Board has approved this Charter and will assess this document at regular intervals to make changes where required.