

# Charter of the Remuneration Committee

**NGE Capital Limited**  
ABN 31 112 618 238

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**Note: The Board assumed the duties and responsibilities of the Remuneration Committee in 2017 as the Board was of the opinion that, given the size and nature of the Company, it is more efficient to deal with remuneration issues at Board level during regular Board meetings. An independent director chairs the Board when it addresses remuneration matters and may seek external advice as necessary.**

**Should the size of the Company change the Board will consider re-instating a separate Remuneration Committee.**

**This Charter governs the operation of the Remuneration Committee when it is instituted.**

# Charter of the Remuneration Committee

## 1. Introduction

- 1.1 This Charter governs the composition, membership, roles and responsibilities of the Remuneration Committee of the Company (**Committee**).
- 1.2 The operation of the Committee is also governed, where applicable, by the constitution of the Company.
- 1.3 Ultimate responsibility for the Company's remuneration policy rests with the full board of directors of the Company (**Board**).

## 2. Objective

- 2.1 The purpose of the Committee is to provide the Board with advice and recommendations which enable the Board to:
  - (1) set in place remuneration policies which are designed to attract and retain senior managers and directors with the expertise to enhance the performance and growth of the Company; and
  - (2) ensure that the level and composition of remuneration packages are fair, reasonable and adequate and, in the case of executive directors and senior managers, display a clear relationship between the performance of the individual and the performance of the Company.

## 3. Composition

### 3.1 Members

The Committee must consist of a minimum of 3 members, where the circumstances of the Company allow, with the majority of members being independent directors, also where the circumstances of the Company allow.

The members of the Committee will be appointed and removed by the Board.

### 3.2 Expertise

Members of the Committee must have an appropriate level of understanding of:

- (1) the principles of corporate governance, including knowledge of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations;
- (2) the disclosure requirements under the *Corporations Act 2001* and the ASX Listing Rules with respect to executive and director remuneration; and
- (3) the complexities involved in negotiating and determining executive remuneration packages.

### **3.3 Chairperson and Secretary**

The Committee will, where the circumstances of the Company allow, be chaired by an independent director (**Chair**).

The Company Secretary will be the secretary of the Committee (**Secretary**) unless determined otherwise by the Board.

## **4. Meetings**

### **4.1 Frequency**

The Committee will meet as frequently as required.

The Secretary must call a meeting of the Committee if requested to do so by any member of the Committee.

### **4.2 Agenda and notice**

The Secretary will be responsible, in conjunction with the Chair, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to Committee members prior to each meeting. The Secretary must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible, but not less than 48 hours before the meeting.

### **4.3 Quorum**

Subject to paragraph 1.2, unless otherwise determined by the Board, a quorum for a Committee meeting will 2 members.

#### **4.4 Minutes**

The Secretary is responsible for taking minutes of each meeting and distributing them to Committee members as soon as practicable.

#### **4.5 Attendance**

The Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate. Voting at Committee meetings is restricted to Committee members.

### **5. Objectivity**

- 5.1 No member of the Committee will be directly responsible for providing advice or recommendations to the Board concerning the level or composition of his or her remuneration.
- 5.2 The Committee has the right to seek internal and external advice when it considers such advice necessary in order to fulfil its responsibilities.
- 5.3 The Committee must ensure that it obtains sufficient information to enable it to make informed decisions with respect to the advice and recommendations it provides to the Board.

### **6. Roles and responsibilities**

#### **6.1 Executive remuneration policy**

The Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of an executive remuneration policy that is designed in such a way that it:

- (1) attracts and retains senior executives and motivates them to pursue the long-term growth and success of the Company; and
- (2) clearly sets out the relationship between an executive's performance and remuneration.

The Committee must review the Company's executive remuneration policy and other relevant policies on an ongoing basis and recommend any necessary changes to the Board.

The Committee is also responsible for providing the Board with advice and recommendations regarding the Company's senior executive recruitment, retention and termination policies and procedures.

## **6.2 Executive remuneration packages**

The Committee is responsible for reviewing and providing recommendations to the Board with respect to the remuneration packages of senior management and executive directors.

The Committee must ensure that the remuneration packages of senior management and executive directors:

- (1) display a clear relationship between the performance of the the Company and an individual's remuneration;
- (2) motivate individuals to pursue long-term growth and success of the Company; and
- (3) are consistent with the Company's remuneration policy and any other relevant Company policies.

The fixed component of an executive remuneration package should reflect core performance requirements and expectations in relation to the individual and should be reasonable and fair taking into account the Company's legal obligations, labour market conditions and the scale of the Company's business.

The performance based component of an executive remuneration package must be linked to clearly specified performance targets.

## **6.3 Incentive schemes**

The Committee is responsible for reviewing and providing recommendations to the Board with respect to:

- (1) the Company's policies with respect to incentive schemes; and
- (2) the incentive schemes of senior managers and executive directors.

The Committee will assist the Board in the development of appropriate performance benchmarks for use in designing incentive schemes that measure relative performance and provide rewards for materially improved Company performance.

#### **6.4 Non-executive directors' remuneration**

The Committee is responsible for providing advice to the Board with respect to non-executive directors' remuneration.

The remuneration packages of non-executive directors should generally be fee based in the form of cash and superannuation contributions.

The Committee must ensure that:

- (1) there is a clear distinction between the structure of non-executive directors' remuneration and executive directors' remuneration; and
- (2) non-executive directors do not:
  - (a) participate in remuneration schemes designed for executive directors; or
  - (b) receive bonus payments or retirement benefits other than statutory superannuation.

#### **6.5 Superannuation**

The Committee is responsible for advising and providing recommendations to the Board in relation to executive superannuation arrangements.

#### **6.6 Termination payments**

The Committee is responsible for providing advice and recommendations to the Board on the Company's termination and redundancy policies and the payments made to outgoing directors and senior executives. The Committee should ensure that termination payments:

- (1) are fair to the individual and the Company; and
- (2) do not reward failure or misconduct.

Termination payments must be agreed in advance and must contain clearly defined provisions regarding the consequences of early termination.

## **7. Reporting**

### **7.1 Reporting to the Board**

The Committee must report to the Board, at the first Board meeting subsequent to each Committee meeting, regarding the proceedings of each Committee meeting, the outcomes of the Committee's reviews and recommendations and any other relevant issues.

### **7.2 Annual report**

The Committee must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance section of the Company's annual report in relation to the Company's remuneration policies and procedures.

### **7.3 Public availability of materials**

The Committee must ensure that a copy of this Charter is made publicly available on the Company's website in a clearly marked corporate governance section.

## **8. Review of the Charter**

- 8.1 This Charter shall be reviewed annually and revised by the Board as required.