



NOMINATION AND REMUNERATION COMMITTEE CHARTER

1. PURPOSE

- 1.1 The primary function of the Nomination and Remuneration Committee ("Committee") is to assist the Board to carry out the following:
- (i) review director competence standards;
 - (ii) review Board succession plans;
 - (iii) evaluate the Board's performance;
 - (iv) make recommendations for the appointment and removal of directors to the Board; and
 - (v) make recommendations to the Board on:
 - (a) executive remuneration and incentive policies;
 - (b) the remuneration packages of senior management;
 - (c) recruitment, retention and termination policies for senior management;
 - (d) incentive schemes;
 - (e) superannuation arrangements; and
 - (f) the remuneration framework for directors.
- 1.2 To the extent practicable, the Company has followed the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations with 2010 and 2012 Amendments* (3rd Edition).

2. MEMBERSHIP

- 2.1 Members, including the Chairman of the Committee, are appointed by the Board.
- 2.2 The Committee should consist of:
- (i) only non-executive directors (where possible);
 - (ii) a majority of independent directors; and
 - (iii) at least three members.
- 2.3 The Chairman of the Committee should be an independent non-executive director, who is not the Chairman of the Board (where possible).
- 2.4 The effect of ceasing to be a director of the Board is the automatic termination of appointment as a member of the Committee.

3. RESPONSIBILITIES

3.1 Nomination Matters

In assisting the Board in relation to nomination matters, the Committee will:

- (i) determine the appropriate size and composition of the Board;
- (ii) set a formal and transparent procedure for selecting new directors for appointment to the Board;
- (iii) develop criteria for selection of candidates for the Board in the context of the Board's existing composition and structure including undertaking the appropriate checks of any nominated candidate;
- (iv) provide shareholders with the appropriate level of detail about the selection process for the appointment of a director;
- (v) make recommendations to the Board on appointment and removal of directors;
- (vi) develop a plan for identifying, assessing and enhancing director competencies;
- (vii) develop a succession plan for the Board and regularly review the plan;
- (viii) review the time required from a non-executive director and whether directors of the Board are meeting this requirement;
- (ix) evaluate the performance of the Board and executives; and
- (x) ensure that there is an appropriate induction programme in place for new directors and members of senior management and review its effectiveness.

3.2 Remuneration Matters

In assisting the Board in relation to remuneration matters, the Committee will:

- (i) determine remuneration policies and remuneration of directors;
- (ii) determine remuneration and incentive policies of executives;
- (iii) determine remuneration, retention and termination policies and procedures for senior management;
- (iv) determine and review incentive schemes;
- (v) determine and review superannuation arrangements;
- (vi) review succession plans for senior management.

4. PERFORMANCE REVIEWS

The Committee shall conduct an annual performance review of the board and executives that:

- (i) compares the performance of the Board with the requirements of the Board Charter;
- (ii) critically reviews the mix of the Board;
- (iii) recommends specific criteria for executive remuneration (where appropriate) to align strategic objectives with management performance; and
- (iv) consider equity based incentive plans.

The Committee generally undertakes this process after the completion of the annual report.

5. MEETINGS AND ATTENDANCE

- 5.1 The Committee should meet as often as the Chairman of the Committee determines necessary.
- 5.2 The Chairman of the Committee will call a meeting of the Committee if so requested by any member of the Committee or by the Chairman of the Board.
- 5.3 A quorum shall be any 2 members.
- 5.4 Should the Chairman of the Committee be absent from the meeting, the members of the Committee present at the meeting have the authority to choose one of their number to chair that particular meeting.
- 5.5 Attendance by members at committee meetings will be disclosed in the annual report.
- 5.6 The Company Secretary of the Company will be the secretary of the Committee.
- 5.7 Proceedings of all meetings will be minuted by the secretary, approved by the Committee and signed by the Chairman of the meeting. Minutes of meetings will be tabled at Board meetings.

6. VOTING

- 6.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of directors present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 6.2 In the case of equality of votes, the Chairman of the meeting, in addition to his deliberative vote, has a casting vote.

8. COMMITTEE MEMBERS' INTERESTS

A member of the Committee is not entitled to be present when his or her own salary or fee is discussed at a meeting or when his or her performance is being evaluated.

8. REPORTING

- 8.1 The Committee reports to the Board.
- 8.2 All recommendations of the Committee will be referred to the Board for approval.

9. ACCESS TO INFORMATION AND ADVICE

- 9.1 The Committee will have unrestricted access to all staff and advisers of the Company.

- 9.2 The Committee may take independent legal, financial, remuneration or other professional advice or assistance, at the reasonable expense of the Company, in carrying out its functions. Unless a conflict exists or to do so would be inconsistent with the Committee's duties, the Committee may request such information, advice or assistance via the Chairman of the Committee.

10. REVIEW OF CHARTER

The Board will review this Charter from time to time to ensure it remains consistent with the Board's objectives and responsibilities.

11. PUBLICATION OF CHARTER

This Charter will be available on the Company's website and the key features will be published in the corporate governance statement.

Approved by the Board of Carly Holdings Limited on 30 September 2015.