



## **Remuneration and Nomination Committee Charter**

### **General Scope and Authority**

The Remuneration and Nomination Committee (Committee) is a Committee established by the Board.

Proceedings and meetings of the Committee will be governed by the provisions of the Constitution of the Company for regulating meetings and proceedings in so far as they are applicable and not inconsistent with this Charter.

Except where otherwise indicated AHK complies with the principles incorporated in the 4<sup>th</sup> Edition of the ASX Corporate Governance Guidelines.

The Committee currently comprises:

- Antony Corel (Chairman)
- Ian Mitchell
- Ben Emery

The Committee considers matters such as those listed below and advises the Board accordingly:

- Senior Executive remuneration and Key Performance indicators
- Issue and allotment of options to Directors and Senior Executives
- Chief Executive Officer and Executive Director remuneration
- Remuneration of Non-Executive Directors
- Short term and long term incentive plans;
- Matters relating to the Company's recruitment, retention and termination policies;
- CEO Succession Planning;
- Nomination and Review of applicants for the Board; and
- Committee Member Appointments and Performance
- Board Evaluation and performance of Directors

Where the Committee makes recommendations to the Board regarding specific remuneration plans, this will include matters such as base pay, incentive payments, equity awards, retirement rights and service contracts. The remuneration of non-executive directors is a matter that is determined by the Board, although the Committee may request management or external consultants to provide necessary information upon which the Board may make its determination.

The Committee has available to it the services of independent professional advisors to assist in the search for high-calibre people at all levels and ensure that the terms and conditions offered by the Company are competitive with those offered by comparable companies.

The Board after considering the input from Remuneration and Nomination Committee, is responsible to shareholders for ensuring that the Company:

- Has remuneration and nomination policies and practices which are observed and which enable it to attract and retain executives and Directors who will create value for shareholders;
- Fairly and responsibly rewards executives having regard to the performance of the Company, the performance of the executive and the general remuneration environment; and
- Complies with the ASX Listing Rules and Corporations Act 2001.

### **Composition**

A quorum will comprise any two non-executive director Committee members. In the absence of the Committee chairman, the members shall elect one of their number as chairman for that meeting.

The Company Secretary shall be the Secretary of the Committee and shall keep Minutes of Committee meetings.

### **Meetings**

The Committee shall meet as frequently as required but not less than two times a year. Any Committee member or the Secretary may call a meeting of the Committee.

A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee (with a copy to all Board Members) at least seven working days prior to the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.

The Committee shall have access to professional advice from employees within the Company and from appropriate external advisers. The Committee may meet with these external advisers without management being present.

The Chairman of the Committee, shall report to the Board following each meeting.

### **Duties and Responsibilities**

In order to fulfil its responsibilities to the Board the Committee shall:

#### Executive Remuneration Policy

- Review and approve the Company's policy for determining executive remuneration including, but not limited to, superannuation, pension and compensation payments, and any amendments to that policy proposed from time to time;
- Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs, including a review of the Company's recruitment, retention and termination policies and procedures for senior management;

- Consider whether to ask the Board to seek shareholder approval for the executive remuneration policy; and

Oversee the implementation of this remuneration policy within the Group.

#### Executive Directors and Senior Management

- Consider and make recommendations to the Board on the entire specific remuneration for each Executive Director and other relevant senior executives (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy. The Committee will determine whether it believes any shareholder approvals are required; and
- Review and approve the proposed remuneration arrangements (including incentive award, equity award and service contract) for the Chief Executive Officer.

#### Executive Incentive Plans

- Review and approve the design of all executive incentive plans; and
- Review and approve the total proposed payments from each executive incentive plan.

#### Equity Based Plans

- Review and approve the design of all equity based plans;
- Keep all plans under review in the light of legislative, regulatory and market developments;
- For each equity based plan, determine each year whether awards will be made under that plan;
- Review and approve total proposed awards under each plan;
- In addition to considering awards to executive directors and the Chief Executive Officer, review and approve proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee; and

Review, approve and keep under review performance hurdles for each equity-based plan.

#### Non-Executive Director Remuneration

Require that remuneration of non-executive directors be determined by the Board. The Committee may request management or external consultants to provide necessary information upon which the Board may make its determination.

### Evaluation of Board and Committees

Oversee the annual self-assessment by the Board and Board Committees, with a view to ensuring that the evaluation processes employed accord with best practice and disclose in the Annual Report whether a performance evaluation was undertaken in the relevant year.

### Nomination of Directors and Committee Members

Oversee the nomination of suitable candidates for the position of director on the Board and evaluate any external nominations for the role of Company Director. After a review and conducting appropriate checks the Committee will make recommendations to the Board. The Committee will also make recommendations for Committee membership positions.

### Succession Planning

Review and advise on appropriate succession planning for the role of Chief Executive Officer and Chairman.

### Other

The Committee shall perform other duties and activities that it or the Board considers appropriate in the context of these terms of reference. These may include, but are not limited to, the following:

- The Company's retirement plans; and
- Reviewing the operations of other executive benefit programs.