



(the Company)

3 REMUNERATION, NOMINATION and DIVERSITY COMMITTEE

Charter

This policy governs the operations of the Remuneration, Nomination and Diversity Committee. The Committee shall review and reassess the policy at least annually and obtain the approval of the Board of Directors.

The Committee was established on 29 November 2016.

Membership

- The Committee shall comprise at least three (3) non-executive directors, a majority of whom are independent and who have diverse and complementary backgrounds. The members of this Committee are Mr James Green (Chairman), Mr John Seton and Mr Tom McDonald;
- The Chairman of the Committee will be appointed by the Board and will not be the Chairman of the Board of Directors. The Committee Chairman is also the Board Chairman but the FE Investments Group Limited Board has as a collective resolved that Mr Green has the experience, knowledge and skill set and is “the best man to chair the Committee”; and
- The Committee will appoint a Secretary who will normally be the Company Secretary.

In appointing the members, the Board and the Committee will have due regard to the Listing Rules and Corporations Act and accordingly will undertake and complete any necessary checks deemed relevant.

Meetings

The Committee shall meet at least once each year, with additional meetings when circumstances require, as determined by the Committee chairperson.

Convening and Notice of Meeting

Any member may (and the Secretary must act upon a request from any member) convene a meeting of the Committee. Notice is to be given to every member of the Committee with no minimum notice period required and no necessity for acknowledgement of notice before the meeting may be validly held.

Attendance

Members of the Committee are expected to be present at all meetings. As necessary, the chairperson of the Committee may request that members of management, consultants or others, which it may deem appropriate, be present at Committee meetings.

Quorum

Two members of the Committee shall constitute a quorum. In the event where only two members are present, the unanimous vote of the two members shall constitute an act of the Committee. Where the Committee comprises more than two Committee members, the act of a majority of the members present will constitute an act of the Committee.

Minutes

Minutes of each meeting are to be prepared by or under the direction of the Company Secretary. The Secretary shall maintain a permanent record of the minutes, and shall distribute minutes to members of the Committee and directors who are not members of the Committee.

Purpose, Function and Responsibility

The purpose of the Remuneration and Nomination Committee is to:

- Review and recommend remuneration policies which are designed to evaluate and enhance Board, director and executive performance;
- Maintain a Board that has an appropriate mix of skills and experience to be an effective decision-making body;
- Ensure that the Board is comprised of directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

And it does this through::

Remuneration

The Committee will:

- Determine appropriate compensation arrangements for the directors and the executive director (managing director/chief executive officer). From this, recommendations are made to the Board;
- Determine the executive remuneration policy; and
- Review and submit to the Board equity based plans.

Overall Director Remuneration

Shareholder approval must be obtained in relation to the overall limit set for Directors' fees. The Directors must set individual Board fees within the limit approved by Shareholders.

Further, Shareholders must approve the framework for any equity schemes and if a Director is recommended for being able to participate in an equity scheme, this participation must be approved by the shareholders.

Executive Remuneration**Main principles**

The remuneration policy reflects the Company's obligation to align Executive Directors' remuneration with Shareholders' interests and to engage appropriately qualified executive talent for the benefit of the group. The main principles of the policy are:

- Reward reflects the competitive global market in which the Company operates. Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Elements of Remuneration

The Executive Directors total remuneration consists of the following:

- Salary - each Executive Director receives a fixed sum payable fortnightly in cash.
- Bonus - each Executive Director is eligible to participate in a bonus scheme if deemed appropriate. The bonus can be in the form of shares, subject to shareholder approval. Any entitlement to shares will be forfeited if, during the vesting period, the Executive Director commits any fraudulent, dishonest or gross negligent act as determined by the Board.
- Long Term Incentives - each Executive Director may participate in share option schemes with the approval of Shareholders.
- Other benefits - Executive Directors are eligible to participate in superannuation schemes.

Non-Executive Remuneration**Main principles**

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Committee recommends the actual payments to Directors and the Board is responsible for ratifying any recommendations if appropriate. The maximum aggregate remuneration approved for Directors is currently \$250,000 to be allocated amongst the Directors in the proportions as determined by the Committee.

Directors are entitled to have their indemnity insurance paid by the Company.

Nomination

The Committee will:

- Review the appropriateness of the size of the Board relative to its various responsibilities and where necessary make recommendations to the Board to change the composition of the Board;
- Review the overall composition of the Board and Board Committees, taking into account factors such as:
 - expertise of each Board member;
 - business experience and integrity;
 - skills;
 - breadth of experience;
 - knowledge about the Company's business or industry; and
 - willingness to devote time and effort to the Board

and make appropriate recommendations as necessary. As such, the Committee shall determine the criteria, objectives and procedure for selecting new Board members;

- Review and recommend to the Board the criteria for Board membership, including assessment of the necessary and desirable competencies of the Board members;
- The Committee shall review potential candidates for the Board and report on the candidates and results to the Board for consideration. As such the Committee shall evaluate and conduct the appropriate inquiries into the backgrounds and qualifications of possible nominees;
- Recommend to the Board, members of the Board to be designated as chairperson of the Board's Committees;
- Make recommendations to the Board in relation to appropriate performance criteria, for both the individual directors and full Board acting as a collective body. This may include such items as level of director attendance, preparedness, participation and candor;
- Review, develop and recommend to the Board if necessary, the criteria for determining director independence;
- The Committee shall monitor the orientation and continuing education programs for Directors.
- The Committee shall develop and review any relevant succession plans.
- The Committee shall reassess the adequacy of this charter at least annually and submit any proposed changes to the Board for review, discussion and approval.

Diversity

The Committee will:

- Develop and review annually the Company's Diversity Policy and strategy;
- Establish and monitor measurable objectives for achieving diversity that are linked to the Company's circumstances and industry; and
- Assess and report to the Board at least annually on the objectives of the diversity strategy and progress achieved

Delegated Responsibility

The Committee may form and delegate authority to sub-committees when appropriate.

Last Updated:

October 2017