

People and Remuneration Committee Charter

Navitas Limited
ACN 109 613 309

Document

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1. Introduction

- 1.1 This Charter governs the composition, membership, roles and responsibilities of the People and Remuneration Committee (**Committee**) of the Company.
- 1.2 The operation of the Committee is also governed, where applicable, by the constitution of the Company.

2. Objective

The purpose of the Committee is to review and approve the strategies and practices for people management within Navitas. Specifically, to provide advice, recommendations and assistance to the board of directors of the Company (**Board**) with respect to:

2.1 Nomination Matters

- (1) identifying nominees for directorships and the CEO;
- (2) the composition of the Board;
- (3) ensuring that effective induction and education procedures exist for new Board appointees and key executives;
- (4) ensuring that appropriate procedures exist to assess and review the performance of the Chair, executive and non-executive directors, CEO, senior management, Board committees and the Board as a whole; and
- (5) approving and monitoring succession planning policies and processes for the CEO and executive team.

2.2 Remuneration Matters

- (1) approving 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;
- (2) reviewing and recommending to the Board on remuneration arrangements, (including incentives and performance targets) for the CEO and executive team, and also the terms for assessment of performance against such targets;
- (3) ensuring 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; and
- (4) reviewing and recommending to the Board on required remuneration disclosures.

2.3 Diversity Matters

- (1) reviewing the effectiveness of workplace diversity and equal opportunity policies and programs

3. Composition

3.1 Members

The Committee must have a minimum of 3 members, with the majority of members being independent directors.

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

Committee members will be appointed according to their skills and experience around strategic human resource and organisational management, including remuneration and performance management policies and practices.

The other members of the Board will have a standing invitation to attend meetings of the Committee.

The CEO and Group General Manager, Human Resources will normally be invited to attend Committee meetings. However, they will not be members of the Committee.

3.2 **Expertise**

In addition to the above, 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 Principles and Recommendations;
- (2) the Company's businesses and organisation structure;
- (3) the functions of the Board and the various roles and responsibilities of directors and other key executive positions;
- (4) Company management, at a senior management level;
- (5) the disclosure requirements under the *Corporations Act 2001* and the ASX Listing Rules in respect to executive and director remuneration; and
- (6) the complexities involved in negotiating and determining executive remuneration packages.

3.3 **Chair and Secretary**

The Committee will be chaired by the Chair of the Board or an independent director (**Chair**).

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

3.4 **Liaison**

The Chairman of the Committee liaises regularly with the Group General Manager, Human Resources on matters related to the Committee, to ensure the Committee is appropriately briefed as to key people and organisation matters.

The principal liaison between executive management and the Committee will be the Company Secretary, in consultation with the Group General Manager, Human Resources.

4. **Meetings**

4.1 **Frequency**

The Committee will meet as frequently as required but must, at a minimum, meet twice a year.

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

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 7 days before the meeting.

4.3 **Quorum**

A quorum for Committee meetings will be at least 2 members, save that 1 of the members of the quorum must be an independent director.

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 The Committee has the right to seek internal and external advice when it considers such advice necessary in order to fulfil its responsibilities.

5.2 Management must supply the Committee with information in a form, timeframe and of a quality that will enable the Committee to effectively discharge its duties.

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. **Responsibilities of the Committee – Nomination Matters**

6.1 **Nomination, Approval and Removal**

The Committee is responsible for:

- (1) identifying specific individuals for nomination for directorship; and
- (2) providing advice and recommendations to the Board with respect to the appointment and removal of directors and key executives.

The Committee must ensure that there is a formal process in place for selecting and appointing new directors and key executives and that the process is transparent.

6.2 **Director Competencies**

The Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of:

- (1) a plan for identifying, assessing and enhancing director competencies with reference to the expertise requirements set out in clause 4.3 of the Board charter; and
- (2) a succession plan that is designed to ensure that an appropriate balance of skills, experience, diversity and expertise is maintained on the Board.

The Committee must create and maintain a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. The Board skills matrix must also be disclosed in the Company's corporate governance statement.

Prior to identifying an individual for nomination for directorship, the Committee must consider the Board skills matrix and evaluate the range of skills, experience and expertise currently existing on the Board to ensure that the Committee identifies the particular skills, experience and expertise that will most effectively complement the Board's current composition.

6.3 **Board Composition**

The Committee is responsible for ensuring that the Board is of a size and composition that allows for:

- (1) decisions to be made expediently;
- (2) a range of different perspectives to be put forward regarding issues before the Board;

- (3) a range of different skills to be brought to Board deliberations; and
- (4) Board decisions to be made in the best interests of the Company as a whole rather than being made in the interests of individual shareholders or interest groups.

6.4 Board Commitment

The Committee is responsible for monitoring, on an ongoing basis, the time required for non-executive directors to adequately fulfil their duties and the extent to which non-executive directors are meeting these time requirements.

Prior to the nomination of prospective non-executive directors the Committee must obtain from the prospective candidate:

- (1) details of other commitments of the prospective candidate and an indication of the time involved to meet these requirements; and
- (2) an acknowledgement that the prospective candidate will have sufficient time to meet the requirements of a non-executive director with the Company.

A non-executive director must inform the Chair of their intention to accept a new appointment as a director of another company prior to accepting such a position.

6.5 Election of Directors

The Committee must undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director. These should include checks as to the person's character, experience, education, criminal record and bankruptcy history.

The Committee must ensure that any notice of meeting relating to the election of directors provides the Company's shareholders with the information necessary to allow the shareholders to make an informed decision on the election, including without limitation:

- (1) biographical details, including competencies, qualifications, skills they bring to the Board and information sufficient to enable an assessment of the independence of the candidate;
- (2) details of relationships between:
 - (a) the candidate and the Company; and
 - (b) the candidate and the Company directors;
- (3) other directorships currently held by the candidate;
- (4) particulars of other positions of the candidate which involve significant time commitments;
- (5) in the case of a candidate standing for election as a director for the first time:
 - (a) any material adverse information revealed by the checks the Company has performed about the candidate;
 - (b) details of any interest, position, association or relationship that might influence or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders; and
 - (c) if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect;
- (6) in the case of a candidate standing for re-election as a director
 - (a) the term of office currently served by the director; and
 - (b) if the Board considers the director to be an independent director, a statement to that effect.

A candidate for appointment or election as a non-executive director should provide the Board or Committee with the information above and a consent for the Company to conduct any background or other checks the Company would ordinarily conduct. The candidate should also provide details of his or her other commitments and an indication of time involved, and should specifically acknowledge to the Company that he or she will have sufficient time to fulfil his or her responsibilities as a director.

The Committee must ensure that non-executive directors are appointed for specific terms subject to re-election and to the ASX Listing Rules and the *Corporations Act 2001* provisions regarding the removal of directors.

6.6 Factors relevant to assessing director independence

The Committee may consider the following, in addition to any other factors the Committee considers relevant, when assessing director independence for the purposes of paragraph 6.5(5)(b) above and the ongoing independence of existing directors.

Examples of interests, positions, associations and relationships that might cause doubts about the independence of a director include if the director:

- is, or has been, employed in an executive capacity by the Company or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the Company or any of its child entities;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier or customer) with the Company or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- is a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company;
- has a material contractual relationship with the Company or its child entities other than as a director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of the entity for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position, association or relationship needs to be assessed by the Committee to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its shareholders generally.

6.7 Induction and Education Procedures

The Committee must ensure that each director and senior executive enters into a written agreement with the Company setting out the terms of their appointment.

The Committee must implement an effective induction process for new Board appointees and key executives. This induction process must include:

- (1) information about the Company;
- (2) information about the industry within which the Company operates; and
- (3) an induction program that enables new directors and executives to gain an understanding of:
 - (a) the Company's financial, strategic, operational and risk management position;
 - (b) their rights, duties and responsibilities; and
 - (c) the role of any Board committees.

The Committee must review the induction process annually to ensure that it is up to date and effective.

The Committee must ensure that Board appointees and executives have access to continuing education to update and enhance their skills and knowledge needed to perform their role as directors effectively. This includes, in the case of a director who does not have specialist accounting skills or knowledge, ensuring that he or she has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements. It also includes, for all directors, ensuring that they receive ongoing briefings on developments in accounting standards. In addition, this may also include education concerning key developments in the Company and within the industry and

environment within which it operates.

6.8 **Evaluation and Review**

The Committee is responsible for the:

- (1) evaluation and review of the performance of the Board against both measurable and qualitative indicators to be established by the Committee;
- (2) evaluation and review of the performance of individual directors against both measurable and qualitative indicators to be established by the Committee;
- (3) review of and making of recommendations on the size and structure of the Board; and
- (4) review of the effectiveness and programme of Board meetings.

7. **Responsibilities of the Committee – Remuneration Matters**

7.1 **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:

- (1) is designed to attract, maintain and motivate directors and senior management with the aim of enhancing the performance and long-term growth of the Company; and
- (2) clearly sets out the relationship between the individual's performance and remuneration.

The Committee must review the 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 policies on recruitment, retention and termination.

7.2 **Executive Remuneration Packages**

The Committee is responsible for:

- (1) reviewing and providing recommendations to the Board with respect to the remuneration packages of senior management and executive directors; and
- (2) maintaining a framework to ensure that employees of the Company do not unduly influence any remuneration recommendation a remuneration consultant may provide.

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

- (1) display a balance between fixed and incentive pay which is tailored to the Company's short and long-term performance objectives;
- (2) provide for a link between rewards and the performance of the Company and individual; and
- (3) are consistent with the Company's remuneration policy and any other relevant Company policies.

The fixed component of each executive remuneration package should be based on the core performance requirements and expectations of the individual. The performance-based component of each executive remuneration package must be clearly linked to specified performance targets.

The Committee must ensure that, where applicable, any payments of equity-based remuneration are made in accordance with any thresholds set in plans approved by the Company's shareholders. Committee members must be aware at all times of the limitations of equity-based remuneration.

The Committee is also responsible for advising and providing recommendations to the Board with respect to executive superannuation arrangements.

7.3 **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 benchmarks for use in designing incentive schemes.

7.4 **Non-executive 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 and the Committee must ensure that:

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

7.5 **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 managers. The Committee should ensure that termination payments:

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

Where applicable termination payments must be agreed in advance and must contain clearly defined provisions regarding the consequences of early termination. The termination payments of the Company's Managing Director must always be agreed in advance.

8. **Responsibilities of the Committee – Succession and Development Matters**

8.1 **Succession**

The Committee will ensure that appropriate measures, (ie up to date and comprehensive) are in place to enable consideration of CEO and senior executive succession. This will include;

- (1) Succession plans for the CEO and senior executive roles, both short and long term.
- (2) Such plans to encompass internal and external considerations.

8.2 **Development**

The Committee will consider the development plans for the CEO, key senior executives and management, ensuring they are appropriate for succession needs. These development plans will include personal development plans and Navitas group executive development initiatives, and will encompass technical, professional and cultural development requirements.

9. Responsibilities of the Committee – Diversity Matters

9.1 Proportion of Men and Women in the Company

The Committee is responsible for reviewing the relative proportion of women and men in the Company's workforce on an annual basis.

9.2 Remuneration by Gender

The Committee is responsible for providing the Board with advice and recommendations regarding remuneration by gender.

10. Access to Information

10.1 In order to ensure the Board is able to discharge its responsibilities properly, the Committee should establish a process whereby directors:

- (1) can obtain independent professional advice when reasonably necessary at the expense of the Company;
- (2) are encouraged to, and in fact actively, request additional information where they consider that the information supplied by internal or external sources is insufficient to allow them to make informed decisions; and
- (3) can access the Secretary whenever required.

11. Reporting

11.1 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.

11.2 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 which relates to the Company's nomination and remuneration policies and procedures, information concerning the directors and the performance evaluation of the Board and senior executives.

11.3 Public Availability of Materials

The Committee must ensure that the following materials are made publicly available on the Company's website in a clearly marked corporate governance section:

- (1) a copy of this Charter;
- (2) a description of the procedure for selecting and appointing new directors;
- (3) the Committee's policy for the appointment of directors; and
- (4) a description of the process for performance evaluation of the Board, its committees, individual directors and key executives.

12. Administration

12.1 Responsible Officer

The Company Secretary is the responsible officer for the custody and administration of this Charter.

12.2 Authority for Approving Amendments to the Charter

The Board shall have authority for approving amendments to this Charter.

12.3 Inclusion of Policy Statement in Policy Manual

Once approved by the Board, this Charter shall be included in the Company’s Policies and Procedures Manual.

12.4 Effective Date

This Charter shall have effect from the date approval is given by the Board.

12.5 Review of the Charter

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

Distribution

Navitas Infonet Policy Central

Example Committee Schedule, for information. Dates are indicative only.

Navitas Remuneration Committee Schedule, (draft)

Key Process	NRC Date	Detail
People/HR Strategy Plan	November	<ul style="list-style-type: none"> •HR Plans •Key Metrics/dashboard
Development <ul style="list-style-type: none"> •Succession •IDPs •Diversity 	August	<ul style="list-style-type: none"> •Succession Plans, Inc Exec Individual •Development Plans & High Potentials
Perf Mgt/Reward <ul style="list-style-type: none"> •KPI's/Rem Structure 	March	<ul style="list-style-type: none"> • Mgt Team rem design/structures approved • Next FY's CEO objectives approved
•Remuneration Awards	May/June	<ul style="list-style-type: none"> • CEO Performance assessed • CEO Remuneration review with benchmark data • Mgt Team remuneration adjustments approved