

Nomination and Remuneration Committee Charter

1 Applicability

This Nomination and Remuneration Committee Charter applies to all members of Vysarn Limited ABN 41 124 212 175 (**Company**) Nomination and Remuneration Committee.

2 Role

The role of the Nomination and Remuneration Committee is to assist the Company's board of directors (**Board**) by reviewing and making appropriate recommendations to the Board on:

- (a) nomination related matters including:
 - (i) succession planning generally, including ensuring that there are plans in place to manage the succession of the Chief Executive Officer (or equivalent) and other senior executives;
 - (ii) induction and continuing professional development programs for directors;
 - (iii) the development and implementation of a process for evaluating the performance of the Board, its committees and directors;
 - (iv) the process for recruiting a new director; and
 - (v) the appointment and re-election of directors.
- (b) remuneration related matters including:
 - (i) the Company's remuneration framework for directors;
 - (ii) remuneration packages for senior executives;
 - (iii) incentive and equity-based remuneration plans for senior executives and other employees, including the appropriateness of performance hurdles and total payments proposed to be made to senior executives;
 - (iv) superannuation arrangements for directors, senior executives and other employees; and
 - (v) remuneration by gender.

3 Composition

The Board has not established a separate Nomination and Remuneration Committee, but rather the full Board performs the role of the Nomination and Remuneration Committee. References in this Nomination and Remuneration Committee Charter to the "Nomination and Remuneration Committee" are references to the full Board's function as the Nomination and Remuneration Committee.

4 Responsibilities

The Nomination and Remuneration Committee has the following responsibilities:

4.1 Nomination

- (a) **Size and composition of the Board:** Regularly reviewing the size and composition of the Board and considering any appropriate changes to the Board and identifying and assessing necessary and desirable director skills and competencies using a Board skills matrix and providing advice on the skills and competency levels of directors with a view to enhancing the Board, including considering what training or development could be undertaken to fill any gaps identified.
- (b) **Board skills matrix:** Developing and recommending to the Board for approval the board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership for inclusion in the Company's corporate governance statement.
- (c) **Succession planning:** Reviewing any succession plans for the Board, Chief Executive Officer (or equivalent) and other senior executives.
- (d) **Induction and continuing professional development:** Developing the Company's Induction Program and developing the appropriate programs so that directors have access to ongoing education relevant to their position in the Company, including ongoing education on material developments in laws, regulations and accounting standards relevant to the Company.
- (e) **Performance evaluation:** Developing a process for the evaluation of the Board, its committees (if any) and individual directors.
- (f) **Director selection and (re)appointment:** Developing the Company's Policy and Procedure for the Selection and (Re)Appointment of Directors, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment. The Nomination and Remuneration Committee will also carry out the functions ascribed to the Nomination and Remuneration Committee in the Policy and Procedure for the Selection and (Re)Appointment of Directors.
- (g) **Diversity:** If considered appropriate, making recommendations to the Board as to appropriate measurable objectives for achieving gender diversity, and annually reviewing those objectives and the Company's progress towards achieving them.
- (h) **Other:** Perform such other functions related to this charter as requested by the Board.

4.2 Remuneration

- (a) Reviewing the Company's Remuneration Policy and making appropriate recommendations to the Board. In considering the Company's Remuneration Policy, the Nomination and Remuneration Committee refers to the guidelines for non-executive director remuneration and executive remuneration set out in Box 8.2 in the Principles and Recommendations.
- (b) Reviewing senior executives' remuneration and incentives and making appropriate recommendations to the Board.
- (c) Reviewing the remuneration framework for non-executive directors, including the process by which the pool of directors' fees approved by shareholders is allocated to directors, and making appropriate recommendations to the Board.
- (d) Reviewing and making recommendations on incentive compensation plans, including equity-based plans.
- (e) Reviewing superannuation arrangements for directors, senior executives and other employees.

- (f) Reviewing termination payments.¹
- (g) Reviewing remuneration related reporting requirements, including disclosing a summary of the Company's policies and practices (if any) regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements and a summary of the Company's policies and practices regarding any minimum shareholding ('skin in the game') requirements (if any) for non-executive directors.
- (h) Reviewing whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.
- (i) Monitoring compliance with applicable legal and regulatory requirements relevant to remuneration-related matters and any changes in the legal and regulatory framework in relation to remuneration.
- (j) Perform such other functions related to this charter as requested by the Board.

5 Operations

The Board meets in its capacity as the Nomination and Remuneration Committee at least once per calendar year and otherwise as required. The meetings are governed by the same rules set out in the Company's constitution as applicable to other meetings of the Board.

The Board deals with any conflicts of interest that may occur by ensuring that the director with a conflicting interest is not party to the relevant discussions.

6 Engaging remuneration consultants

The Board is responsible for engaging Remuneration Consultants. A **Remuneration Consultant** is a person: (a) who makes a Remuneration Recommendation under a contract for services with the Company to whose Key Management Personnel the recommendation relates; and (b) who is not an officer or employee of the Company.

Key Management Personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. A **Remuneration Recommendation** is defined in section 9B of the Corporations Act 2001 (Cth) (**Corporations Act**).

The Board will, in accordance with any policies or guidelines set by the Board from time to time:

- (a) ensure that the requirements of Part 2D.8 of the Corporations Act are complied with including:
 - (i) reviewing and approving all remuneration consultancy contracts (as defined in section 206K(1) of the Corporations Act) before they are entered into by the Company; and
 - (ii) ensuring that any Remuneration Recommendation is provided directly to the non-executive directors (unless the Board consists only of executive directors) and that the Remuneration Recommendation is not provided to a person who is neither a director of the Company or a member of the Remuneration Committee;

¹ Note also the restrictions that apply under sections 200 to 200J of the Corporations Act 2001 (Cth) to termination payments by companies incorporated in Australia (and their associates) to those who hold a managerial or executive office in the company or in a related body corporate.

- (b) put in place arrangements to ensure that a Remuneration Consultant is not unduly influenced by a member or members of Key Management Personnel to whom a Remuneration Recommendation relates;
 - (c) ensure that the Company's remuneration report includes the details relating to Remuneration Consultants as required by section 300A(1)(h) of the Corporations Act;
 - (d) authorise the distribution of any Remuneration Recommendation by any person other than the Remuneration Consultant beyond the non-executive directors (unless the Board consists only of executive directors); and
 - (e) set policies or guidelines to ensure that the Company meets its obligations under the Corporations Act, including its reporting obligations, in relation to Remuneration Consultants.
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7 Authority and resources

The Nomination and Remuneration Committee is authorised to:

- (a) seek any information it requires to perform its duties from any employee of the Company;
 - (b) obtain, at the Company's expense, external legal or other professional advice on any matter within its responsibilities as set out in this Nomination and Remuneration Committee Charter; and
 - (c) seek input or advice from external consultants or other specialists. For example, the Nomination and Remuneration Committee may engage external consultants in its search for a new director, particularly as a means to increase the presentation of candidates which meet the requirements and objectives of the Company's Diversity Policy.
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8 Review

The Nomination and Remuneration Committee Charter will be reviewed at least annually and updated as required.