



# **Charter of the nomination and remuneration committee**

**Strike Energy Limited**  
ACN 078 012 745

**Approved: 23 June 2016**

## Contents

1.	Introduction.....	1
2.	Objectives.....	1
3.	Composition .....	1
4.	Meetings.....	2
5.	Objectivity .....	3
6.	Responsibilities of the Committee .....	3
7.	Access to information.....	7
8.	Reporting.....	7
9.	Review of the Charter.....	7

## Strike Energy Limited

ACN 078 012 745

(Company)

# Charter of the nomination and remuneration committee

---

## 1. Introduction

- 1.1 The Nomination and Remuneration Committee (**Committee**) is a committee of the board of directors (**Board**) of Strike Energy Limited (**Company**).
- 1.2 This Charter governs the composition, membership, roles and responsibilities of the Committee.
- 1.3 The operation of the Committee is also governed, where applicable, by the constitution of the Company.
- 1.4 The Committee must operate within the framework of this Charter and has no authority independent of the functions delegated to it by the Board.

---

## 2. Objectives

- 2.1 The purpose of the Committee is to provide recommendations to and assist the Board with respect to:
  - (1) identifying nominees for directorships;
  - (2) the composition of the Board;
  - (3) effective induction and education procedures for new Board appointees and key executives;
  - (4) assessing and reviewing the performance of the Chair, non-executive directors, senior management, Board committees and the Board as a whole;
  - (5) remuneration policies which are designed to attract and retain senior management and directors with the expertise to enhance the performance and growth of the Company;
  - (6) the level and composition of remuneration packages that 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
  - (7) annual measurable diversity objectives and reporting on progress toward achieving the objectives.

---

## 3. Composition

### 3.1 Membership

The Committee shall be structured so that it:

- (1) comprises, to the extent possible, a majority of independent directors;
- (2) has at least 2 members; and
- (3) is chaired by an independent director.

In addition, if the Company is included in the S&P/ASX 300 Index at the beginning of a financial year, the Committee must be comprised solely of non-executive directors for the entire duration of that financial year.

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

The establishment of the Committee does not relieve the Board of any of its responsibilities.

### 3.2 **Expertise**

Members of the Committee are expected to have an appropriate level of understanding of:

- (1) the principles of corporate governance, including knowledge of the ASX Limited (**ASX**) Principles of Good Corporate Governance and Best Practice 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) disclosure requirements under the *Corporations Act 2001* and the ASX Listing Rules in respect to executive and director remuneration;
- (5) the complexities involved in negotiating and determining executive remuneration packages; and
- (6) Company management at a senior management level.

### 3.3 **Chair and Secretary**

The Committee will be chaired by an independent non-executive director (**Chair**).

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

---

## 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 the 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 provide reasonable advance notice to members of the Committee of the date, time and location of Committee meetings.

#### 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 and voting**

- (1) Members of the Committee, and any other Directors wishing to attend, are entitled to be present at Committee meetings (except in circumstances where there is a conflict of interest).
- (2) The Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate.
- (3) Voting at Committee meetings is restricted to Committee members.

---

### 5. **Objectivity**

- 5.1 No member of the Committee will be directly responsible for providing advice or recommendations to the Board concerning, or determining the level or composition of his or her remuneration.
- 5.2 The Committee has the right to seek internal and external advice and information (including from any employee of the Company), when it considers such information or advice is necessary in order to fulfil its responsibilities.
- 5.3 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.
- 5.4 The Committee should endeavour to obtain 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**

#### 6.1 **Nomination, appointment and removal**

The Committee is responsible for:

- (1) identifying specific individuals for nomination for directorship or re-election by rotation at the Company's Annual General Meeting;
- (2) Identifying and nominating for the Boards consideration individuals for the role of Managing Director;
- (3) endorsing the appointment of key executives who report to the Managing Director; and

- (4) providing advice and recommendations to the Board with respect to the appointment and removal of directors.

## 6.2 **Director competencies**

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

- (1) the enhancement of director competencies; and
- (2) succession planning so that an appropriate balance of skills, experience and expertise likely to be required in the future is maintained on the Board.

Prior to identifying an individual for nomination for directorship, the Committee should evaluate the range of skills, experience and expertise currently existing on the Board in order to endeavour 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 should endeavour to ensure that the Board is of a size and composition, having regard to the Company's constitution, 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 and experience to be brought to Board deliberations;
- (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; and
- (5) establishing and evaluating relevant Board committees.

In contemplating overall Board balance, the Committee will consider gender diversity and diversity in general.

## 6.4 **Board commitment**

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.

## 6.5 **Election of directors**

The Committee should ensure that appropriate checks on candidates for the Board are undertaken and provide sufficient information in any notice of meeting to shareholders to enable them to make an informed decision before recommending a candidate for appointment or re-election.

The Committee should endeavour to ensure that the Company enters into a written agreement with each new director and senior management team member which sets out the terms of their appointment.

The Committee should endeavour to 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 Induction and education procedures**

The Committee should endeavour to ensure that an effective induction process is implemented for new Board appointees. This induction process should include, where appropriate:

- (1) information about the Company;
- (2) information about the industry within which the Company operates; and
- (3) an induction program that enables new directors to gain an understanding of:
  - (a) the Company's financial, strategic, operational and risk management position;
  - (b) the culture and values of the Company;
  - (c) their rights, duties and responsibilities;
  - (d) the roles and responsibilities of key executives;
  - (e) the role of any Board committees;
  - (f) meeting arrangements; and
  - (g) directors' interaction with each other, senior executives and other stakeholders.

#### **6.7 Evaluation and review**

The Committee is responsible for:

- (1) evaluating and reviewing the performance of the Board against both measurable and qualitative indicators to be established by the Committee;
- (2) evaluating and reviewing the performance of individual directors against both measurable and qualitative indicators to be established by the Committee;
- (3) reviewing and making recommendations on the size and structure of the Board;
- (4) reviewing the effectiveness and program of Board meetings; and
- (5) assisting the Board in its periodic review of the Managing Director.

#### **6.8 Executive remuneration policy**

The Committee is responsible for providing the Board with advice and recommendations regarding an executive remuneration policy that:

- (1) is designed to attract, retain and motivate directors and senior management with the aim of enhancing the performance and long-term growth and success 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 from time to time and recommend changes to the Board.

#### 6.9 **Executive remuneration packages**

The Committee is responsible for periodically reviewing and providing recommendations to the Board with respect to the remuneration packages (including superannuation) of senior management and executive directors.

The Committee should endeavour to 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;
- (3) are consistent with the Company's remuneration policy and any other relevant Company policies; and
- (4) comply with regulatory requirements and good governance principles.

The fixed component of each executive remuneration package should be reasonable and fair, taking into account the Company's legal and industrial obligations and labour market conditions, and should be relative to the scale of the business, as well as based on the core performance requirements and expectations of the individual. The performance based component of each executive remuneration package may be linked to specified performance targets.

#### 6.10 **Incentive and equity based schemes**

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

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.

#### 6.11 **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;

- (2) non-executive directors do not participate in remuneration schemes designed for executive directors; and
- (3) non-executive directors do not receive bonus payments and are not provided with retirement benefits other than superannuation.

#### 6.12 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;
- (2) do not reward failure or misconduct; and
- (3) comply with regulatory requirements.

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

---

### 7. Access to information

7.1 In order to ensure the Board is able to discharge its responsibilities properly, the Committee may:

- (1) obtain independent professional advice when necessary at the expense of the Company;
- (2) 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) access the Secretary whenever required.

---

### 8. Reporting

#### 8.1 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.

#### 8.2 Annual report

The Committee should assist the Board by providing 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 policies and procedures, information concerning the directors, the performance evaluation of the Board and remuneration policies and procedures.

---

### 9. Review of the Charter

9.1 This Charter shall be reviewed periodically and at least bi-annually by the Committee, and may be amended by resolution of the Board.