



MORETON RESOURCES LTD

REMUNERATION AND NOMINATION
COMMITTEE CHARTER

May 2016

1. Overview – Purpose

The Board of Moreton Resources Ltd (**Moreton or the Company**) has established the Remuneration and Nomination Committee (the **Committee**).

1.1 The purpose of the Committee is to assist the Board in achieving its objective to ensure that the Company:

- Has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- Has remuneration policies and practices which will attract and retain senior executives and directors who will create value for shareholders; and
- Fairly and responsibly rewards senior executives having regard to their performance, that of the Company and the general external pay environment.

2. Membership

The Committee will comprise of at least two members, all of whom will be Non-Executive Directors and, ideally, should be independent. The Chairperson of the Committee will be appointed by the Board and must be an independent director.

3. Meetings

The Committee will hold meetings at least twice a year and additionally as it considers necessary.

The Committee may invite other persons, including Board members, executives or external advisors to attend meetings, if the Chairperson considers it is appropriate. The quorum for a meeting shall be two members, at least one of whom must be an independent director. Each member of the Committee will have one vote, and the Chairperson will not have a casting vote.

4. Secretary

The Company Secretary will act as Secretary of the Committee and will attend all Committee meetings.

5. Reporting

5.1 The Chairperson of the Committee must report the findings and recommendations of the Committee to the next Board meeting subsequent to each meeting of the Committee. The minutes of all Committee meetings will be circulated to the Board by the Company Secretary.

5.2 The Committee will prepare and recommend to the Board for approval:

- The details to be included in the Company's Annual Report or any other statutory report or document regarding the activities and responsibilities of the Committee; and
- Any statement of the Company's remuneration policy and executive compensation disclosures that may be required by law or other regulatory requirements, including the Remuneration Report included in the Annual Report.

6. Responsibilities

6.1 Remuneration

The Remuneration responsibilities of the Committee are:

- Reviewing and approving Board, director and senior executive remuneration and incentive policies and practices in line with relevant legislation and governance policies and practices;
- Considering and approving each executive director's total remuneration;
- Determining if shareholder approval is needed for any change to remuneration of directors or executives;
- Reviewing and approving, on the recommendation of the CEO, the total remuneration and terms of employment of direct reports to the CEO;
- Reviewing and approving the design, total proposed payments, proposed individual award and performance hurdles for any executive incentive plan;
- Reviewing superannuation arrangements for directors, senior executives and other employees;
- Reviewing the remuneration of non-executive directors (individually and in total);
- Assessing whether there is any gender or other inappropriate bias with respect to the remuneration for directors, senior executives or other employees;

6.2 Nomination

The Nomination responsibilities of the Committee are:

- Identifying and recommending to the Board, nominees for membership of the Board, including the CEO;
- Being responsible for and disclosing a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve;
- Identifying and assessing the necessary and desirable competencies and characteristics for Board membership, including skills, experience and diversity;
- Ensuring that the Company:
 - Develops and discloses a Board appointment process, which includes selection criteria having regard to skills and experience outlined in the Group's diversity policy;
 - Undertakes appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a director;
 - Provides shareholders with all material information to enable them to make a decision in

- regard to the election or re-election of a director;
 - Has a written agreement with each director and senior executive setting out the terms of their employment;
 - Has, and discloses a summary of the main features of, a program for inducting new directors and providing appropriate professional development opportunities for continuing directors;
 - Has succession plans for Board and senior executives in place; and
 - any other responsibilities as determined by the Committee or the Board from time to time,
- and making recommendations to the Board in relation to the matters above.

7. Access to Information and Advice

- 6.1 In carrying out its role and responsibilities, the Committee has access to, and may receive advice from employees of the Company, external advisers and remuneration consultants.
- 6.2 The Committee may meet with remuneration consultants without senior management being present.
- 6.3 The Committee is responsible for engagement of external remuneration consultants and for setting the framework governing interaction between consultants and executives. All engagements of and interaction with external remuneration consultants will comply with the provisions of the *Corporations Act 2001* (Cth) governing the engagement and utilisation of remuneration consultants.
- 6.4 Where a remuneration recommendation is obtained from an external consultant, the Committee will take all appropriate steps to ensure any recommendation is free from undue influence and will obtain an undue influence declaration from the relevant consultant.
- 6.5 The Committee may obtain independent legal, accounting or other professional advice for the purposes of carrying out its functions, at the reasonable expense of the Company. Any request for such advice must be approved by the Chairperson of the Board, unless a conflict exists or to do so would be inconsistent with the Committee's responsibilities, in which case the advice may be obtained with the approval of the Chair of the Committee.

7. Review and Availability of Charter

The Committee and the Board shall review the Charter periodically to ensure its relevance, effectiveness and consistency with best practice.

This Charter will be made readily accessible on the Company's website.

Board Approved: April 2015
Board Reviewed: May 2016

Who to contact

If you are in any doubt regarding the application or operation of this Charter you should contact the Company Secretary.