

# Remuneration & Nomination Committee Charter

## Petrel Energy Limited

ACN 82 125 394 667

### 1. **ROLE OF THE REMUNERATION AND NOMINATION COMMITTEE**

The Remuneration and Nomination Committee ("**Committee**") is established to assist the Board of Directors in fulfilling its responsibilities in respect of certain remuneration matters as well as matters concerning the composition of the Board.

### 2. **PURPOSE**

The purpose of the Committee is to assist and advise the Board on the following:

- (a) remuneration policies and practices for the Company, with policies and practices designed to:
  - (i) enable the Company to attract, retain and motivate Directors, executives and employees who will create value for shareholders;
  - (ii) be appropriate having regard to the performance of the Company and the interests of shareholders; and
  - (iii) comply with relevant legal requirements; and
- (b) selection and appointment practices for Directors of the Company.

### 3. **RESPONSIBILITIES**

The Committee has the authority and power to exercise the role and responsibilities set out in this Charter.

The Committee is responsible for reviewing and making recommendations to the Board on:

- (a) the remuneration framework and policies (including applicable key performance indicators) for non-executive Directors, Executive Directors, the Managing Director/CEO and the Company's senior executives;
- (b) the supervision of the remuneration framework and policies (including applicable key performance indicators) for the Company's senior executives;
- (c) incentive schemes to be adopted by the Company and the operation of incentive schemes (including making awards under a scheme and assessing whether relevant performance conditions have been achieved);
- (d) the Company's human resources objectives;
- (e) supervision of the succession planning for the Company's senior executives;
- (f) the size and composition of the Board;

- (g) the mix of skills, experience, expertise and diversity required on the Board and matters relating to the extent to which the required skills are represented on the Board;
- (h) the assessment of the performance of the Board, its committees and individual Directors;
- (i) succession planning for the Board and Director selection and nomination practices, including assessing candidates for nomination for election as a Director;
- (j) induction procedures for new appointees to the Board to enable new appointees to the Board to effectively discharge their duties;
- (k) matters relating to the Company's diversity policy;
- (l) other relevant matters as requested by the Board from time to time.

The Committee may examine any matter in relation to its responsibilities as it sees fit.

The Committee has no executive powers with regard to its recommendations and does not relieve the Board of its responsibilities in these matters.

#### **4. MEMBERSHIP OF THE REMUNERATION AND NOMINATION COMMITTEE**

##### **4.1 Committee composition**

Membership of the Committee will be determined by the Board, having regard to the following:

- (a) the Committee must consist of a minimum of three (3) persons to be appointed from time to time by the Board;
- (b) each member of the Committee must be a Director; and
- (c) a majority of the Committee should be independent Directors, as determined by the Board.

##### **4.2 Chairman**

The Chairman of the Committee will be appointed by the Board and should not be the Chairman of the Company unless it is considered that the Chairman of the Company is the most appropriate person to fill the role in current circumstances.

##### **4.3 Secretary**

The Company Secretary will be the secretary of the Committee.

#### **5. CONDUCT OF REMUNERATION AND NOMINATION COMMITTEE MEETINGS**

##### **5.1 Attendance**

A majority of members must be present to constitute a quorum for a meeting.

Committee members may not substitute a representative to attend on their behalf.

Executives, including the Managing Director/CEO, may be invited to attend Committee meetings and to discuss or report on particular agenda items.

## 5.2 **Frequency of Meetings**

The Committee will meet at least two times each year and at additional times as determined by the Committee to fulfil its duties.

The Chairman of the Committee must call a meeting at the request of a member of the Committee.

## 5.3 **Engagement of External Resources**

The Committee has the power to engage on behalf of the Company external advisers or consultants as necessary for the purposes of assisting it to fulfil its responsibilities.

If the Committee engages expert external advisers or consultants on matters relating to the remuneration of key management personnel of the Company, the Committee must ensure that those advisers provide any remuneration recommendations directly to the Committee, as required by the Corporations Act.

## 5.4 **Access**

The Committee will have reasonable access to all Company sites, documents, reports, records and personnel for the purpose of enabling it to fulfil its responsibilities.

## 6. **REPORTING REQUIREMENTS**

The Committee must:

- (a) report to the Board following each meeting; and
- (b) bring particular matters to the attention of the Board and make recommendations and express opinions as appropriate.

The agenda and papers will be available on request to all members of the Board.

## 7. **REVIEW**

The Committee will review its Charter from time to time and make recommendations to the Board as to any changes it considers should be made.

The Charter may be amended by resolution of the Board.

**Adopted by the Board on:** 6 June, 2012