

## INTRODUCTION

This Remuneration and Nomination Committee Charter (“Charter”) sets out:

1. Role of the Committee
2. Composition
3. Role and responsibilities
4. Operations
5. Authority and Resources
6. Reporting
7. Committee Performance
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## 1. ROLE OF THE COMMITTEE

The Remuneration and Nomination Committee (Committee) is a committee of the Board of Directors (Board) of Australis Oil & Gas Limited (Company), with the specific powers delegated as set out in this charter.

The purpose of the Committee is to (a) assist the Board in the effective discharge of its responsibilities for remuneration matters relating to the Board and senior executives and Company-wide remuneration policies and (b) to ensure the Company has the appropriate Board selection and performance management processes.

## 2. COMPOSITION

The Committee should comprise a minimum of three members a majority of whom shall be independent for the purposes of all applicable regulatory and stock exchange requirements. The Committee shall be chaired by an independent director.

The appointment and removal of Committee members shall be the responsibility of the Board. Members may resign as a Committee member upon reasonable notice in writing to the members of the Committee. If a Committee member ceases to be a director of the Board their appointment as a member of the Committee is automatically terminated with immediate effect.

The secretary of the Committee shall be the Company Secretary or any other individual that the Committee selects. The proceedings of all meetings will be minuted by the committee secretary. All minutes of the Committee are available for inspection by any director.

Non-Committee members including without limitation, other non-executive directors, the managing director, chief financial officer, finance director, external auditor and the Company Secretary may attend meetings of the Committee on a regular basis assuming no conflict of interest as determined by the Chair of the Committee.

## 3. ROLE AND RESPONSIBILITIES

The Committee’s role is as follows:

### 3.1 Company Wide Policies and Plans

- a) Undertake regular (at least every two years) review of market conditions, economic factors, industry trends, remuneration statistics and trends, and peer remuneration practices to set the framework for the determination of organisational wide remuneration policies;
- b) Review the Company’s Human Resources policies including a review of the Company’s Remuneration Policy, and other recruitment, retention and termination policies and procedures for senior executives;
- c) Review and make recommendations to the Board in relation to whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees;

- d) Recommend to the Board the structure of employee incentive and equity-based plans including the appropriateness of performance hurdles;
- e) Review the outcomes of incentive plans and approve (or recommend to the Board in the case of Executive Directors) proposed payments under those plans; and
- f) Review all executive compensation disclosure before the Company publicly discloses this information, including in the annual Remuneration Report and in the information circular for annual general meetings.

### **3.2 CEO and Executive Directors**

- a) Recommend to the Board the terms and conditions governing the appointment, remuneration and termination of employment of the CEO and Executive Directors;
- b) Determine CEO and Executive Director Key Performance Indicators (KPIs) and recommend them to the Board;
- c) Evaluate the performance of the CEO and Executive Directors in light of those KPIs;

### **3.3 Other Senior Executives**

- a) Consider and provide feedback on the CEO's recommendations in relation to other senior executive remuneration matters;

### **3.4 Non-Executive Directors**

- a) Review the remuneration of Non-Executive Directors on a regular basis and recommend any changes in remuneration to the Board;

### **3.5 Director Selection and (Re)Appointment**

- a) Effectively examine the Director selection and (re)appointment process of the Company and to make recommendations to the Board, although the Board retains ultimate responsibility for these practices;
- b) the Committee will develop a board skills matrix to identify any 'gaps' in the skills and experience of the directors on the Board, and if thought appropriate, will implement such a matrix and disclose it in the Company's Corporate Governance Statement which can be found on the ASX website or at [www.australisoil.com](http://www.australisoil.com);
- c) the Committee will take into consideration the Company's Diversity Policy in selecting new directors for the Board;
- d) the Committee will undertake appropriate checks in respect of each candidate to ensure amongst other things, that they are of good character;

### **3.6 Size and Composition of the Board**

To ensure that the board has the appropriate blend of directors with the necessary expertise, skills and relevant industry experience the Committee shall:

- regularly review the size and composition of the Board, and make recommendations to the Board on any appropriate changes;
- identify and assess necessary and desirable set of skills, competencies and experience for the Board, as a whole, and provide advice on the skill, competency and experience levels of the existing Board, as a whole, with a view to enhancing the Board's effectiveness;
- make recommendations on appointment and removal of directors;
- make recommendations on whether any Directors whose term in office is due to expire should be nominated for re-election;
- regularly review the time and effort commitments required from Directors and whether Directors are meeting that requirement.

### **3.7 Selection Process of new Directors**

- a) The Committee shall review the Company's Policy and Procedure for Selection and (Re)Appointment of Directors. Such procedure should be transparent to promote investor understanding and confidence in the process.
- b) The Committee is empowered to engage external consultants in its search for a new director.
- c) The initial appointment of a new Director is made by the Board. The new director will be required to stand for election at the Company's next general meeting.
- d) The Committee will consult with the Chairman of the Board when discussing the appointments of new Directors.
- e) The Committee will ensure that the Company provides securityholders with the required information relevant to a decision on whether or not to elect or re-elect a director.

### **3.8 Performance Appraisal Competency**

The Committee shall:

- a) develop a process for evaluation of the performance of the Board and Board committees; and when deemed appropriate by the Board Chair, individual Board members in accordance with the Company's Process for Performance Evaluation;
- b) implement ways of enhancing the competency levels of Directors;
- c) consider the time required by Board members in discharging their duties efficiently;
- d) undertake continual assessment of Directors as to whether they have devoted sufficient time in fulfilling their duties as Directors;
- e) develop a process for and carry out an evaluation of the performance of the CEO and Executive Directors;
- f) review and implement the Company's *Induction Program*;
- g) ensure new Directors participate in the *Induction Program*; and
- h) provide all Directors with access to ongoing education relevant to their position in the Company.

### **3.9 Succession Plans**

- a) The Committee shall review the Company's succession plans and policies for Board members and senior executives and recommend any such policy for Board approval. Succession plans are to assist in maintaining the appropriate balance of skills, experience and expertise on the Board and of senior executives.

### **3.10 Other Matters**

- a) Review and recommend to the Board amendments to the Company's Diversity Policy.
- b) If necessary, consider the Company's post-employment benefit arrangements.

## **4. OPERATIONS**

### **4.1 Holding of meetings**

- a) The Committee will meet with such frequency as is sufficient to appropriately discharge its duties. It is usual practice for the Committee to meet at least three times a year with further meetings as required.
- b) Any Committee member may, and the company secretary must upon request from any member, convene a meeting of the Committee.
- c) A meeting of the Committee may be held using any means of audio or audio-visual communication by which each Committee member participating can hear and be heard by each other Committee member participating.

#### **4.2 Quorum**

The number of members whose presence is necessary to constitute a quorum for a meeting of the Committee is the majority.

#### **4.4 Secretary**

The Committee shall appoint an individual to be the secretary of the Committee. The proceedings of all meetings will be minuted by the company secretary. All minutes of the Committee are available for inspection by any director of the Board.

### **5. Authority and Resources**

The Company is to provide the Committee with sufficient resources to undertake its duties. The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

The Committee has the authority, as it deems necessary or appropriate, to engage and compensate external consultants or specialists for advice in relation to remuneration related matters.

### **6. REPORTING**

The Committee will:

- a) regularly report to the Board on all matters relevant to the Committee's role and responsibilities;
- b) report and, as appropriate, make recommendations to the Board after each Committee meeting on matters dealt with by the Committee; and
- c) as and when appropriate, seek direction and guidance from the Board on remuneration and human resource risk management and compliance matters.

Minutes of Committee meetings will be included in the papers for the next full Board meeting.

### **7. COMMITTEE PERFORMANCE**

The Board will, at least once in each year, review the membership and Charter of the Committee to determine their respective adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

The Committee shall make an evaluation of its performance at least once every two years to determine whether it is functioning effectively by reference to current best practice.

### **8. CLAWBACK POLICY**

If the Company becomes aware of a material misstatement in its financial statements or some other event has occurred which, as a result, a director or member of the Company's executive should not have received some or all its performance-based remuneration (the Overpayment), the Board may claw back that Overpayment in accordance with the terms of the applicable incentive or equity plan.

Such claw back may involve:

- a) requiring the person to pay back the Overpayment; or
- b) adjusting the current year incentives or fixed remuneration of that person to take account of the Overpayment.

The Committee will review this claw back policy at least annually, and make recommendations to the Board as to any changes it considers should be made.

## **9. DEFINITIONS**

For the purpose of this Charter the following definitions apply:

**Board** means the board of **Directors** of the **Company**;

**CEO** means the person acting in the capacity as the chief executive officer of the **Company**;

**Chair** means the chair of the **Committee**;

**Committee** means the remuneration and nomination committee of the **Board**;

**Company** means Australis Oil & Gas Limited;

**Director** means a member of the **Board**; and

**Chairman** means the chairman of the **Board**

## **10. FURTHER INFORMATION**

For further information, clarification or questions regarding the content or application of this Charter please contact the Company Secretary.

Reviewed by the Board: 29 April 2019