



# MIKOH Corporation Limited

## Remuneration and Nomination Committee Charter

This Charter sets out the responsibilities of the Remuneration and Nomination Committee (“Committee”), its membership criteria and the manner in which the Committee’s activities should be conducted.

The Board will determine the composition of the Committee and its terms of reference. Any changes will require Board approval. The composition and the terms of reference of the Committee are to be reviewed at least every two years.

### 1. THE ROLE OF THE COMMITTEE

The Committee has been established to determine with respect to non-executive directors, executive directors, senior managers, consultants, and other key employees the following:

- That there is implementation of appropriate remuneration policies;
- That the remuneration policies are monitored;
- That any incentive schemes that are implemented are designed to enhance corporate and individual performance;
- That there are retention strategies;
- That there is succession planning;
- That the composition of Board provides necessary and desirable competencies for the Company;
- That there is appropriate evaluation of senior executives and in particular processes for the evaluation of the performance of the Board and Managing Director;
- To recommend to the Board conditions of employment, including remuneration policy and practice for the Managing Director.

The Committee should generally take a position on what is in the best interests of the Company, as well as considering a balance of what individuals can contribute to the Company and market rates of remuneration.

### 2. MEMBERSHIP

The Committee shall comprise a minimum of two Directors, with the majority being independent non-executive Directors. The Chairman of the Committee will be an independent non-executive Director.

The initial members of the Committee are:

- Mr Sevag Chalabian; and
- Mr Riad Tayeh;

Mr Chalabian is the Chairman of this Committee and the Company Secretary will act as the secretary to the Committee. Representatives from

management and external advisors may be requested from time to time to attend and/or report to the Committee.

### **3. RESPONSIBILITIES AND AUTHORITY**

#### **3.1 Remuneration Matters**

The Committee shall:

- Determine and agree the framework of a broad policy for the remuneration of the Managing Director and other senior executives. No director or executive shall be directly involved in deciding their own remuneration;
- In determining the policy for the remuneration of the Managing Director and other senior executives, take into account all factors which it deems necessary. The objective of the policy shall be to align director and executive objectives with shareholder's and the Company's objectives by providing a fixed remuneration component and offering incentives based on key performance areas affecting the Company's financial results;
- Within the terms of the agreed policy, review the Managing Director's and senior executive's remuneration packages annually by reference to the Company's performance, the Managing Director's or senior executive's performance, comparable information from industry sectors and by reference to external remuneration reports;
- Determine the policy for any incentive schemes to be operated by the Company and request that the Board, when appropriate, seek shareholder approval for such schemes. All incentive schemes are to be linked to predetermined performance criteria;
- Determine the Company's recruitment, retention and termination policies and procedures;
- Determine the policy for superannuation. The senior executives and executive directors receive a superannuation guarantee contribution as required by the Federal Government, which is currently 9% however some individuals may choose to sacrifice part of their remuneration to increased payments towards superannuation. The Company has a policy that no retirement allowances will be paid to non-executive directors;
- Determine and agree the framework of a broad policy for the remuneration of the non-executive Directors;
- In determining the policy for the remuneration of non-executive directors, take into account all factors which are deems necessary. The objective of the policy shall be to remunerate non-executive directors at market rates for comparable companies, for time, commitment, and their responsibilities;
- The Managing Director in consultation with the Chairman of the Board shall determine the remuneration of the non-executive directors and shall review it annually, based on market practice, duties, and accountability. Independent external advice may be sought where required;

- Consider any other remuneration matters referred to it by the Board from time to time.

### 3.2 Board Composition and Performance Matters

The Committee shall:

- Regularly assess the necessary and desirable competencies of the Board members and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- Regularly review the succession plans that are in place with regard to membership of the Board to maintain an appropriate balance of skills, experience and expertise on the Board;
- Undertake an annual evaluation of the performance of the Board against both measurable and quantitative indicators;
- At the request of the Board or when necessary make recommendations for the appointment or removal of directors;
- In respect of the selection and appointment of new directors:
  - (a) The Committee will initially prepare a description of the role and capabilities required for a particular appointment having regard to its assessment of the necessary and desirable competencies of the Board members;
  - (b) The Committee is responsible for identifying and nominating for the approval of the Board all candidates to fill Board vacancies as and when they arise;
  - (c) The Committee will consider whether or not it is appropriate to seek the external advice of executive search consultants and/or use open advertising in respect of the position;
  - (d) The Committee should ensure that, in support of their candidature for directorship, proposed non-executive directors must provide the Committee with details of other commitments and an indication of the time involved in respect of those commitments. The Committee should further ensure that any proposed non-executive director specifically acknowledges in writing prior to appointment that they will have sufficient time to meet what is expected of them in the role of director;
  - (e) Proposed non-executive directors shall be reference checked and police checked before being offered any position with the Company;
  - (f) The Committee shall ensure that, on appointment, all directors receive a formal letter of appointment and a deed of 'Access and Indemnity' which together clearly set out what is expected of them in terms of time commitment, committee membership, involvement outside Board meetings and their rights with respect to access and indemnification;

- Regularly review the time commitment required for a non-executive director and whether the non-executive directors are meeting this requirement;
- Ensure that all non-executive directors inform the Chairman and the Committee before accepting any new appointments;
- Make recommendations to the Board in respect of the:
  - (a) Re-election by shareholders of any directors under the 'retirement by rotation' provisions in the Constitution;
  - (b) Appointment or re-appointment of any directors to executive or other office other than the positions of Chairman and Managing Director the recommendation of which would be considered at a meeting of:
    - (i) All non-executive directors regarding the position of Managing Director; and
    - (ii) All the directors regarding the position of Chairman.
- Consider any other Board composition and performance matters referred to it by the Board from time to time.

### **3.3 Annual General Meeting**

The Chairman of the Committee shall attend the Annual General Meeting of the Company and be prepared to respond to any shareholder questions on the Committee's activities.

### **3.4 Reporting to the Board**

The Chairman of the Committee will report to the Board on its activities at least twice a year usually at the next Board meeting following a Committee meeting.

The Committee will report immediately to the Board on any matter that it becomes aware of that could have an adverse affect on the Company and accordingly the shareholders.

## **4. DUTIES**

### **4.1 Duty to Disclosure Conflict of Interest**

Members of the Committee must disclose any direct or indirect pecuniary interest they have in any matter being considered. If such interest could conflict with the proper performance of their duties the Committee member is not permitted to participate in any discussions in relation to the matter being considered.

### **4.2 Duty to Act Honestly**

Members of the Committee must act honestly and exercise the degree of care and diligence that a reasonable person would exercise if they were in the Committee member's position.

## **5. RESOURCES AND RIGHTS OF ACCESS**

The Board is to ensure that the Committee is provided with adequate resources and authority to discharge its responsibilities, including access to relevant information and records relating to the operations of the Group as required.

The Committee may commission professional assistance with the general expectation that the Managing Director will receive prior consultation on the matter and subject to the Managing Director approving the expense.

## **6. MEETINGS AND RECORD KEEPING**

Meetings of the Committee are to be held twice a year and at such other times as the Chairman of the Committee shall require. A schedule of proposed meetings will be drawn up in advance for the ensuing year and distributed to the members of the Committee.

The Committee will prepare an annual schedule of agenda items to be considered throughout the year having regard to its responsibilities outlined above.

The Secretary will ensure that members and management are aware of the requirements to produce papers and attend meetings. Papers for meetings will be distributed to the Committee members at least three business days prior to the scheduled meeting.

Meetings may be held in person, by phone, video conference or such other technology as is agreed by the Committee members.

A quorum for any meeting shall consist of two members, one of which must be an independent non-executive director.

The Secretary will take minutes of all the meetings held, and keep records of all reports and recommendations made by the Committee. Any dissenting member shall be entitled to have the opinion of that member recorded in the minutes.

A resolution evidenced in writing under the hands of all Committee members shall be as valid and effectual as a resolution duly passed at a meeting of the Committee. Any such resolution may consist of several documents in like form signed by one or more Committee members.

The Board may exercise its discretion in relation to approving recommendation of the Committee and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

## **7. REVIEW**

The Committee will review its performance and compliance with its terms of reference annually by taking into consideration any assessment or commentary provided by the Chairman of the Board.