



# **REMUNERATION AND NOMINATION COMMITTEE CHARTER**

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**UCW Limited**  
ACN 108 962 152

June 2016

## **1 OBJECTIVE**

The overall objective of the Remuneration and Nomination Committee (**Committee**) is to assist UCW Limited (**Company**) and its Board of Directors to:

- (a) align the Company's remuneration approach with shareholder interests, to allow the organisation to attract, motivate and retain its staff so as to enhance the Company's performance in a manner that supports the long-term financial soundness of the Company; and
- (b) provide appropriate corporate governance by identifying the mix of skills and individuals required of Directors to allow the Board to contribute to the successful oversight and stewardship of the Company, and discharge their duties under the law diligently and efficiently.

## **2 ADMINISTRATION**

### **2.1 Membership**

The Committee will consist of:

- (a) only non-executive Directors;
- (b) a minimum of three members, a majority of whom are independent directors; and
- (c) an independent Director as Committee Chairman.

### **2.2 Chairman**

The Committee Chairman will preside at meetings of the Committee. If the Committee Chairman is not present at a Committee meeting, the members so present must elect another member to act as Committee Chairman for that meeting.

The role of the Committee Chairman is to:

- (a) determine the agenda for meetings of the Committee in conjunction with the Committee Secretary (as defined below in section 3.4);
- (b) chair meetings of the Committee and take reasonable steps for the proper functioning of the Committee, including the proper conduct of meetings and an appropriate level of discussion;
- (c) take reasonable steps regarding the adequate flow of relevant information to the Committee;
- (d) take reasonable steps to advise the Board on the Committee's recommendations to the Board on matters falling within the scope of the Committee's responsibilities;
- (e) review the minutes of meetings of the Committee for circulation to and approval of the Committee, and then sign the approved minutes; and
- (f) act under a delegation of the Committee, including liaising on behalf of the Committee with consultants advising the Committee.

### **3 MEETINGS**

#### **3.1 Frequency of meetings**

The Committee will meet as often as the Committee members deem necessary in order to fulfil its role. However, it is intended that the Committee will normally meet at least two times per year.

In addition, the Committee Chairman is required to call a Committee meeting if requested to do so by:

- (a) any Committee member;
- (b) the Chairman; or
- (c) any other Director.

#### **3.2 Attendance by non-members**

All Directors may attend Committee meetings. The Chairman of the Company shall normally be invited to attend Committee meetings at the invitation of the Committee unless a conflict of interest exists or a closed session of the Committee is being held.

Members of management and/or parties external to the Company may be invited to attend any Committee meeting or part thereof, subject to the invitee not having a material personal interest in the matter of the Committee being considered. Non-members of the Committee may be asked to withdraw from all or any part of a meeting.

#### **3.3 Meetings other than in person**

Where deemed appropriate by the Committee Chairman, meetings may occur via conference call or other electronic means and approvals and recommendations may occur via written resolution.

#### **3.4 Secretary**

A delegate approved by the Committee will act as Secretary of the Committee and shall be responsible, in conjunction with the Committee Chairman, for drawing up the agenda (supported by explanatory documentation and papers), and circulating the Committee papers to Committee members prior to each meeting. Directors may request papers for or from any meeting, and will be notified in advance of the agenda for forthcoming meetings.

The Committee Secretary will also be responsible for keeping the minutes of meetings of the Committee (except when the Committee is in closed session) and circulating them to the Committee Chairman for review and, following approval, to the other Committee members, other Board members and other Committee meeting attendees as appropriate.

#### **3.5 Quorum**

A quorum shall consist of at least two (2) members.

## **4 DUTIES AND RESPONSIBILITIES – REMUNERATION**

### **4.1 Executive remuneration policy and framework recommendations**

The Committee has the duty and responsibility to review the remuneration policy and framework (**Remuneration Policy**) and recommend it to the Board for approval. This includes conducting regular reviews and making recommendations to the Board on the following:

- (a) the Remuneration Policy and compliance with legal and regulatory requirements;
- (b) material changes to the Remuneration Policy, including remuneration structure, retention and termination policies for all staff;
- (c) material changes to the recruitment policies, procedures and remuneration approach for the Company's senior management team (including Directors);
- (d) performance-based (at-risk) components of remuneration, and targets for the Company's financial performance as they relate to incentive plans, including equity-based payments; and
- (e) assessing overall remuneration outcomes, including by gender.

### **4.2 Non-executive Director remuneration**

The Committee has the duty and responsibility to review and make recommendations to the Board relating to:

- (a) the remuneration framework for the non-executive Directors (including the Committee Chairman and Committee members) of the Company; and
- (b) remuneration recommendations for non-executive Director fees, including in respect of their participation on sub-committees of the Board.

### **4.3 Remuneration reporting**

The Committee has the responsibility to:

- (a) propose the Remuneration Report to the Board;
- (b) liaise with the external auditor in relation to its review; and
- (c) make recommendations to the Audit & Risk Committee that the Remuneration Reports of the Company and its related companies are in accordance with the Corporations Act (including complying with relevant accounting standards), the Corporations Regulations and other mandatory professional reporting requirements.

The Chairman of the Remuneration Committee and/or the Chairman of the Board will also engage with shareholders and proxy advisers in advance of the Company's Annual General Meeting.

#### **4.4 Engagement of remuneration consultants**

The Committee must approve the engagement of remuneration consultants when obtaining independent advice on the appropriateness of remuneration packages and other employment conditions for senior management (including the Chairman) and non-executive Directors. The Committee Chairman is responsible for liaising on behalf of the Committee with consultants advising the Committee.

### **5 DUTIES AND RESPONSIBILITIES – NOMINATION**

The Committee is to review and consider the structure and balance of the Board and make recommendations regarding appointments and re-elections. In particular, the Committee is to:

- (a) identify and recommend to the Board, candidates for the Board after considering the necessary and desirable competencies of new Board members, the range and depth of skills and the diversity of the Board;
- (b) review induction procedures for new appointees to the Board, to facilitate their ability to discharge their responsibilities;
- (c) assess and consider the time required to be committed by a Director to properly fulfil his/her duty to the Company, and advise the Board;
- (d) review succession plans for the Board, with a view to maintaining an appropriate balance of skills and experience on the Board; and
- (e) develop and implement processes to review Board performance.

### **6 PERIODIC REVIEW**

The Committee has the responsibility to:

- (a) review this charter annually, and recommend any proposed changes to the Board for approval; and
- (b) conduct a periodic, but at least biennial, evaluation of the Committee's performance and the extent to which the Committee has met requirements of this charter.

### **7 ACCESS**

The Committee shall have free and unfettered access to all personnel and other parties (internal and external), including the external auditor, legal advisers or independent remuneration advisers.

Committee members may seek independent professional advice for Company related matters at the Company's expense, subject to the estimated costs being approved by the Chairman of the Board in advance, as being reasonable.

### **8 REPORTING**

The Committee, through the Committee Chairman, is to advise and make recommendations to the Board on matters falling within the scope of its responsibilities. Such advice may be in the form of minutes of its meetings, supporting papers, and written or oral reports at Board meetings.