



## ORBX LIMITED

### NOMINATION AND REMUNERATION COMMITTEE CHARTER

#### 1 Purpose

The Nomination and Remuneration Committee (**Committee**) is established by the Board of Directors (**Board**) of Orbx Limited (**Orbx**).

This Charter governs the operations of the Committee and sets out the membership, operation and responsibilities of the Committee.

The primary purpose of the Committee is to support and advise the Board in relation to:

- (a) Board composition, competencies and diversity;
- (b) Board succession planning generally;
- (c) induction and continuing professional development of the Board, its committees and directors;
- (d) establishing processes for the identification and recruitment of suitable candidates for appointment to the Board;
- (e) establishing and implementing processes for reviewing the performance of individual directors, the Board as a whole, and Board committees;
- (f) determining the executive remuneration policy;
- (g) determining the non-executive director remuneration policy;
- (h) reviewing all equity-based incentive plans and making recommendations to the Board regarding their adoption and implementation; and
- (i) ensuring that the remuneration policies of Orbx are balanced and do not reward behaviour that is inconsistent with its values.

#### 2 Membership of the Committee

##### 2.1 Membership

The Committee should ideally consist of:

- (a) only non-executive directors;
- (b) a majority of independent directors;
- (c) an independent Chair; and
- (d) a minimum of three members.

The Chief Executive Officer will be invited as an observer when relevant, and at any time when the remuneration and/or incentives of the executives (excluding those of the CEO) are discussed.

However, as a relatively small (amongst those listed on the ASX) company, Orbx may face particular issues in ensuring that the ideal composition for the Committee (as set out above) is met. While Orbx will aim for the Committee to meet that ideal composition, this may not always be possible. Notwithstanding the foregoing, if Orbx is included in the S&P/ASX 300 index at the beginning of its financial year, the Committee composition must satisfy the requirements of ASX Listing Rule 12.8.

The Committee will appoint the Committee Chairperson from one of its number.

## **2.2 Appointment and term**

The members of the Committee will be determined by the Board having regard to section 2.1 of this Charter. There is no prescribed term for membership. Membership of the Committee ceases when a member ceases to be a director of Orbx.

The Board may appoint additional non-executive directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

## **3 Administrative matters**

### **3.1 Meetings**

The Committee will meet as often as necessary to undertake its role effectively, but must meet at least twice a year. The quorum necessary for a meeting of the Committee will be two members. If the Committee Chair is absent, the Committee members who are present shall elect one of their number to chair the meeting.

The Committee will appoint a secretary (which may be the company secretary), who must on request from any Committee member, convene a meeting of the Committee. Unless all Committee members otherwise agree, at least 24 hours' notice must be given to every Committee member of every Committee meeting. Acknowledgment of receipt of notice by all members is not required before the meeting may be validly held.

Members of management may attend meetings of the Committee at the invitation of the Committee Chair, but, other than executive directors (if applicable), must not be appointed as members of the Committee.

### **3.2 Access and external engagement**

The Committee has rights of access to management and rights to seek explanations and additional information.

The Committee may, upon notifying the Chair of the Board, seek the advice of Orbx's legal counsel (at the cost of Orbx) as to any matter pertaining to the powers or duties of the Committee.

The Committee may, with the prior approval of the Chair of the Board, instruct the Chief Executive Officer to engage such other independent advisers in relation to any matter pertaining to the responsibilities of the Committee, as the Committee may require.

### **3.3      *Agenda and minutes***

The secretary of the Committee will:

- (a) attend all Committee meetings as minute secretary;
- (b) in conjunction with the Chair of the Committee, prepare an agenda to be circulated to each Committee member before each meeting of the Committee; and
- (c) prepare minutes of each Committee meeting.

## **4          *Reporting***

Normally, a Committee meeting will be held before a Board meeting, but not necessarily every Board meeting. There will be included in the Board papers for the Board meeting following a meeting of the Committee the minutes of the previous Committee meeting.

The Committee Chair will provide a brief oral report at the Board meeting as to any material matters arising out of the immediately preceding Committee meeting. All directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.

## **5          *Duties and responsibilities***

### **5.1      *Board structure and appointments***

The Committee will:

- (a) make recommendations to the Board regarding criteria for Board membership and periodically review those criteria;
- (b) periodically review the structure, size and composition of the Board, having regard to the balance of skills, knowledge, experience, independence and diversity on the Board and the time commitments of non-executive directors and recommend changes when necessary;
- (c) make recommendations to the Board regarding the appointments and re-election of directors, including identifying suitable candidates for new appointments;
- (d) ensure that effective training and education programmes for new and existing directors are in place and tailored to their existing skills, knowledge and experience, and regularly review the effectiveness of those programmes;
- (e) if relevant ensure that directors receive briefings on material developments in laws, regulations and accounting standards relevant to Orbx;
- (f) develop and review, on a regular basis, Board and executive management succession plans and provide advice to the Board on those plans;
- (g) develop strategies relating to Board diversity;
- (h) develop and implement a process for evaluating the performance of the Board, the Board committees and directors;
- (i) develop a process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in light of this

evaluation, prepare a description of the role and capabilities required for a particular appointment; and

- (j) oversee the annual assessment of, and make recommendations to the Board as to, the independence of each director, and oversee the disclosures made in relation to the independence of each director.

## **5.2 *Non-executive director remuneration***

The Committee will:

- (a) review and make recommendations to the Board regarding the policy for the remuneration (including fees, travel and other benefits) of non-executive directors (including the process by which any pool of directors' fees approved by shareholders is allocated to directors);
- (b) review retirement and termination payments for non-executive directors; and
- (c) provide advice to the Board on those matters.

## **5.3 *Executive remuneration policy***

The Committee will:

- (a) review Orbx's policy for determining executive remuneration, including superannuation, pension and compensation payments, and make any recommendations to the Board regarding amendments to that policy that the Committee may consider appropriate from time to time;
- (b) review the ongoing appropriateness and relevance of the executive remuneration policy and other executive benefit programs, including a review of Orbx's recruitment, retention and termination policies and procedures for executives; and
- (c) oversee management's implementation of this remuneration policy within Orbx.

## **5.4 *Executive directors and executives***

The Committee will:

- (a) consider and make recommendations to the Board on the entire specific remuneration for each executive director (including base pay, incentive payments, equity awards, retirement rights and service contracts) having regard to the executive remuneration policy; and
- (b) review and approve the proposed remuneration arrangements (including base pay, incentive payments, equity awards, retirement rights and service contracts) for the direct reports of executive directors.

## **5.5 *Incentive plans***

The Committee will:

- (a) review and approve the design of all incentive plans;
- (b) regularly review all plans in the light of legislative, regulatory and market developments as well as being consistent with the strategic goals and values of Orbx;

- (c) review and make recommendations to the Board regarding the approval of total proposed awards under each plan; and
- (d) review, approve and keep under review performance hurdles (whether short, medium or long term hurdles) under each grant or plan.

#### **5.6 Human resources policies**

The Committee will oversee the establishment and implementation of appropriate human resources policies for Orbx.

#### **5.7 Superannuation**

The Committee will regularly review:

- (a) Orbx's superannuation arrangements (if any); and
- (b) Orbx's compliance with relevant laws and regulations in relation to superannuation arrangements.

#### **5.8 Remuneration report**

The Committee will oversee management's preparation of the annual remuneration report for inclusion in Orbx's annual report, and make recommendations to the Board in relation to it.

#### **5.9 Evaluation of Board and Committees**

The Committee will oversee the self-assessment by the Board and Board committees.

#### **5.10 Evaluation of executives**

The Committee will:

- (a) develop and implement a plan for identifying, assessing and enhancing competencies of executives; and
- (b) ensure that the performance of each executive is evaluated at least annually.

#### **5.11 Other**

The Committee will perform other duties and activities that it or the Board considers appropriate.

### **6 Review of performance**

The Committee will periodically undertake an evaluation of its performance. The Board may evaluate the performance of the Committee as appropriate.

### **7 Review of this charter**

The Board will periodically review this Charter to determine its adequacy.

Approved by the Board of Directors of Orbx Limited.