

Remuneration and Nomination Committee charter

ThinkSmart Limited

ACN 092 319 698

Adopted by the Board on 2nd December 2016

Committee charter

1 Membership of the Committee

The Committee must consist of:

- a minimum of 3 members of the Board;
- a majority of independent non-executive directors; and
- an independent non-executive director as Chair, who is not Chair of the Board.

As at the date of the adopting of this charter, the current members of the Committee are:

- Peter Gammell (Chair);
- David Adams; and
- Roger McDowell.

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

The Committee Chair shall not chair the Committee when it is dealing with the matter of succession to the chairmanship, and in this instance another member (whether or not that member is an independent non-executive director) shall chair the Committee.

Members of management (including the head of human resources) and external advisers may attend meetings of the Committee by invitation.

The Company Secretary must attend all Committee meetings as minute secretary. The Company Secretary will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

Appointments to the Committee shall be for a period of up to three years extendable by no more than two additional three year periods.

The Committee shall make recommendations to the Board which retains the right of final decision.

2 Administrative matters

2.1 Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will normally meet at least twice a year.

2.2 Quorum

The quorum necessary for the transaction of business shall be two, one of whom must be an independent non-executive director.

2.3 Convening and notice of meeting

Meetings of the Committee shall be called by the Committee Secretary at the request of the Committee Chair.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed will be given to every member of the Committee at the member's advised address for service of notice (or such other pre-notified interim address where relevant) and to any other person required to attend and all other non-executive directors.

Notice should, unless agreed otherwise, be given no later than five working days before the date of the meeting and, at the same time, supporting papers shall be sent to the Committee members and to other attendees, as appropriate. Acknowledgement of receipt of notice by members is not required before the meeting may be validly held.

2.4 Access to independent advisers

The Committee may seek the advice of the Company's auditors, solicitors or such other independent advisers as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

2.5 Minutes

Minutes of meetings of the Committee (including recording the names of those present and in attendance) must be kept by the Company Secretary and, after the minutes have been approved by the Committee Chair, be presented at the next Board meeting (unless it would be inappropriate to do so, in the opinion of the Committee Chair).

2.6 Annual General Meeting

The Committee Chair shall attend (if required and, for the avoidance of doubt, attendance by teleconference shall be sufficient if physical attendance is not possible) the annual general meeting to respond to shareholder questions on the Committee's activities.

2.7 Reporting

The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall ensure that provisions regarding disclosure of information, including the QCA Corporate Governance Code for Small and Midsize Quoted Companies 2013 published by the Quoted Companies Alliance (the "**QCA Guidelines**") and the Corporations Act 2001 (Cth) (the "**Corporations Act**"), are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to the Board and shareholders for approval at the annual general meeting.

The Committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company, including to address any applicable requirements under the Corporations Act. This report should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives, including to address any applicable requirements under the Corporations Act.

If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they

have any other connection with the Company, including to address any applicable requirements under the Corporations Act.

The Committee shall, through the chairman of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

These terms of reference shall be made available on the Company's website.

3 Role and responsibilities – nomination

The Committee should carry out the duties below for the Company, major subsidiary undertakings and the group (the “**Group**”) as a whole, as appropriate.

The responsibilities of the Committee are as follows:

- (a) Review and recommend to the Board the structure, size and composition of the Board, including the skills, knowledge, experience and diversity.
- (b) Consider succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- (c) Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- (d) Review and recommend to the Board the criteria for Board membership, including assessment of necessary and desirable competencies of Board members.
- (e) Review and recommend to the Board membership of the Board, including recommendations for the appointment and removal of Directors, and where necessary propose candidates for consideration by the Board.
- (f) Identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- (g) Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
 - (1) use open advertising or the services of external advisers to facilitate the search;
 - (2) consider candidates from a wide range of backgrounds; and
 - (3) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.
- (h) Assist the Board as required in relation to the performance evaluation of the Board, its committees and individual directors, and in developing and implementing plans for identifying, assessing and enhancing director competencies.
- (i) Review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time.
- (j) Make recommendations to the Board concerning membership of the audit and risk committee, and any other Board committees as appropriate, in consultation with the chairman of such committees.
- (k) Prepare, for the appointment of a chairman, a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the chairman's commitments should be reported to the Board as they arise.

- (l) Review the time expected to be devoted by non-executive directors in relation to the Company's affairs.
- (m) Ensure that an effective induction process is in place and regularly review its effectiveness.

4 Policy and procedure for selection and appointment of new directors

- (a) Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:
 - the skills, experience, expertise and personal qualities that will best complement Board effectiveness;
 - the capability of the candidate to devote the necessary time and commitment to the role. This involves a consideration of matters such as other Board or executive appointments;
 - potential conflicts of interest, and independence.
- (b) Detailed background information in relation to a potential candidate should be provided to all directors, including any other business interests that may result in a conflict of interest.
- (c) The identification of potential director candidates may be assisted by the use of external search organisations as appropriate.
- (d) An offer of a Board appointment must be made (subject to the Company's Constitution) by the Chair only after having consulted all directors, with any recommendations from the Committee having been circulated to all directors.
- (e) Make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract.
- (f) A review of each director's conflicts authorisations annually to check it is appropriate for the relevant matters.
- (g) Make recommendations to the Board concerning the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required.
- (h) Make recommendations to the Board concerning the re-election by shareholders of directors under the provisions of the Corporations Act, the Company's Constitution and (only to the extent that it is not inconsistent with the Corporations Act and the Company's Constitution) the QCA Guidelines, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years).
- (i) All new Board appointments should be confirmed by letter in the standard format as approved by the Board or the Committee from time to time (setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings).

5 Role and responsibilities – remuneration

The Committee should carry out the duties below for the Company, major subsidiary undertakings and the group (the “**Group**”) as a whole, as appropriate.

The Committee shall:

- (a) have responsibility for setting the remuneration policy for all executive directors, the chief executive, the Company secretary, the Company’s Chairman (if the chairman is an executive director), and such other members of the Company’s executive management team, including pension rights and any compensation payments. The Board itself or, where required by the Company’s Constitution, the shareholders should determine the remuneration of the non-executive directors within the limits set in the Constitution. No director or senior manager shall be involved in any decisions as to their own remuneration;
- (b) recommend and monitor the level and structure of remuneration for senior management;
- (c) in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the QCA Guidelines and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company’s long strategic term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;
- (d) when setting remuneration policy for directors, review and have regard to pay and employment conditions across the Company or the Group, especially when determining annual salary increases;
- (e) review the on-going appropriateness and relevance of the remuneration policy;
- (f) within the terms of the agreed policy and in consultation with the Company’s Chairman and/or chief executive, as appropriate and if applicable, determine the total individual remuneration package of each executive director, the Company’s Chairman and other designated senior managers including bonuses, incentive payments and share options or other share awards;
- (g) obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board;
- (h) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- (i) approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- (j) review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, company secretary and other designated senior executives and the performance targets to be used
- (k) determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;

- (l) ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- (m) oversee any major changes in employee benefits structures throughout the Company or the Group;
- (n) agree the policy for authorising claims for expenses from the directors; and
- (o) review and recommend to the Board the remuneration report prepared in accordance with the Corporations Act for inclusion in the annual directors' report.

6 Other matters

6.1 General

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- (c) give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies and formation and operation of share schemes including but not limited to the provisions of the QCA Guidelines, the requirements of the AIM Rules as well as guidelines published by the Investment Association and the Pensions Lifetime Savings Association and any other applicable rules, as appropriate;
- (d) give due consideration to laws and regulations and the requirements of the Prospectus Rules and Disclosure Guidance and Transparency Rules and the AIM Rules and any other applicable rules, as appropriate;
- (e) work and liaise as necessary with all other Board committees;
- (f) arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- (g) consider such other matters as the Board may from time to time refer to it.

6.2 Authority

The Committee is authorised by the Board to:

- (a) seek any information it requires from any employee/director, and all such employees/directors will be directed to co-operate with any request made by the Committee; and
- (b) obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.