

# Nomination and Remuneration Committee Charter

## 1. INTRODUCTION

The Nomination and Remuneration Committee's ("Committee") objective is to assist the Board of Site Group International Limited ("Board") and its controlled entities ("Site Group International") in fulfilling its responsibilities to shareholders by:

- ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of directors in accordance with the Corporations Act and corporate governance principles
- ensuring nomination processes and remuneration arrangements are equitable and transparent

The responsibilities of the Committee include:

- **Board Performance and Director Selection:**
- determining the skills and competencies necessary for an effective Board
- from time to time assessing the extent to which the required skills are represented on the Board
- establishing processes for the review of the performance of individual directors and the Board as a whole
- establishing processes for the identification of suitable candidates for appointment to the Board
- recommending the appointment and removal of directors

### Remuneration:

- considering whether any person ("Remuneration Consultant") should be engaged to make a recommendation about the amount and/or elements of remuneration of Site Group International's key management personnel (as defined in AASB 124) ("Key Management Personnel") ("Remuneration Recommendation")
- where it is considered that a Remuneration Consultant should be so engaged, approving an appropriate Remuneration Consultant
- ensuring that a Remuneration Consultant is required to make Remuneration Recommendations directly to the Committee or the Board (other than executive directors) without any qualification or endorsement by management
- ensuring that a Remuneration Consultant includes with any Remuneration Recommendation a declaration about whether the recommendation is made free from undue influence by any member of Key Management Personnel to whom the recommendation relates
- considering any Remuneration Recommendation made by a Remuneration Consultant

Making recommendations on:

- Remuneration Recommendations made by a Remuneration Consultant
- an executive remuneration and incentive policy
- the remuneration of the Chief Executive Officer and any other executive director and all senior management
- an executive incentive plan
- the remuneration of non-executive directors
- recruitment, retention, performance measurement and termination policies and procedures for non-executive directors, the Chief Executive Officer and any other executive directors and all senior management
- superannuation arrangements
- the disclosure of remuneration in Site Group International's external reports, including:
- diversity implications of the Company's reward and recognition strategies
- how the structure of non-executive directors' remuneration is distinguished from the remuneration structure of the Chief Executive Officer and any other executive director and all senior management

The Committee makes recommendations to the Board and does not have any power to commit the Board or management to the recommendations on Board Performance and Remuneration, including any Remuneration Recommendation made by a Remuneration Consultant.

**Salary Increases and Bonus Payments:**

Review and approve:

- salary increases and bonus payments for all direct reports to the CEO, and
- the quantum of salary increase and bonus payments for all staff.

**Diversity:**

Making recommendations on, establishing and monitoring policies and strategies for diversity across the Site Group International Limited group of companies

In addition to the above, the Nomination & Remuneration Committee has the powers under clause 4.5 of the Delegation of Authority Policy.

The Board delegates the above powers pursuant to Rule 18.7 of Site Group International Limited's constitution.

The Committee will provide a report to the Board outlining what it has approved by way of minutes of Committee meetings presented to the next scheduled meeting of the Board for noting.

## **2. NOMINATION AND REMUNERATION COMMITTEE**

### **2.1 COMPOSITION**

The Committee will consist of at least three directors, a majority of which are non-executive, independent directors. The Committee is to be chaired by an independent director.

#### **2.1.1 Removal or Resignation**

If a Committee member retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. In order to maintain the composition of the Committee in accordance with clause 2.1, the Board will appoint the successor.

#### **2.1.2 Participation by Non Committee Members**

The Committee, if considered appropriate, may invite any Board and/or management team members or other individuals to attend Committee meetings.

#### **2.1.3 Secretary**

The Company Secretary will be the Secretary of the Committee.

## **2.2 MEETINGS**

### **2.2.1 Frequency**

The Committee will meet as frequently as required but not less than twice a year.

### **2.2.2 Calling Meeting and Notice**

Any Committee members or the secretary may call a meeting of the Committee. A notice of each meeting confirming the date, time, venue and agenda will be forwarded to each Committee member together with relevant supporting papers.

### **2.2.3 Advice**

The Committee has unlimited access to Site Group International employees and appropriate external advisers. The Committee may meet with external advisers without management being present.

### **2.2.4 Report to the Board**

The Chairman of the Committee or delegate formally reports to the Board following each meeting by way of minutes of Committee meetings submitted to the next meeting of the Board for noting.

### **2.2.5 Minutes**

Minutes of proceedings and resolutions of Committee meetings will be kept by the Secretary. Minutes will be distributed to all Committee members and the chairman of the Board after the Committee chairman has given preliminary approval. Minutes of Committee meetings will be tabled at a subsequent Board meeting for noting.

### **2.2.6 Quorum and Voting**

A quorum will comprise any two non-executive, independent director Committee members.

## **3. DUTIES AND RESPONSIBILITIES**

### **3.1 BOARD PERFORMANCE AND DIRECTOR SELECTION**

#### **3.1.1 Current Board**

##### **Skill Requirements**

Periodically the Committee will assess the skills required to discharge the Board's duties with regard to the strategic direction of Site Group International and report the outcome of that assessment to the Board. The Committee will, as and when it considers appropriate but in any event whenever an existing non-executive director retires, assess the skills represented on the Board by the non-executive directors and determine whether those skills meet the previously determined skills requirement.

##### **Skill Enhancement**

The Committee will make recommendations to the Chairman of the Board regarding methods to enhance the skill levels of existing non-executive directors.

#### **3.1.2 New Candidates**

##### **Candidate Identification**

The Committee has adopted the process for the identification of suitable candidates for appointment to the Board, having regard to the skills required and the skills represented as outlined in **Annexure 4**. The Committee will make recommendations to the Board on candidates it considers appropriate for appointment.

##### **Re-Nomination of Retiring Non-Executive Directors**

The Committee will inform the Board of the names of non-executive directors who are retiring in accordance with the provisions of the constitution and will make recommendations to the Board as to whether the Board should support the re-nomination of the retiring director.

#### **3.1.3 Appointment of directors**

Once the Board, after reviewing the recommendations provided by the Committee, has decided to appoint a new candidate as a non-executive director, Site Group International will provide the letter of appointment along the lines contained in **Annexure 1** to the new non-executive director.

#### **3.1.4 Induction procedure**

There are many issues, procedures and policies that a new non-executive director of Site Group International will need to be aware of and understand. A New Director's Induction Procedure has been developed to assist with the induction of new directors and is set out in **Annexure 2**.

#### **3.1.5 Evaluation process**

A performance evaluation process applies to:

- the Board
- Board Committees
- individual directors

The objective of this process is to confirm the satisfactory contribution of each director. The evaluation guidelines are detailed in **Annexure 3**, The Evaluation Process Applicable to Board, Board Committees and Individual Directors.

## **3.2 REMUNERATION**

The Committee's responsibilities with respect to remuneration are as follows.

### **3.2.1 Executive remuneration policy**

- review and make recommendations to the Board regarding Site Group International's policy for determining executive remuneration and any proposed amendments
- review the on-going appropriateness and relevance of the executive remuneration policy and recommend amendments when considered appropriate
- consider whether to seek shareholder approval of the executive remuneration policy.

### **3.2.2 Executive directors and senior management**

- consider whether any person should be engaged as a Remuneration Consultant to make a Remuneration Recommendation for Key Management Personnel
- where it is considered that a Remuneration Consultant should be engaged, approve an appropriate Remuneration Consultant
- ensure that a Remuneration Consultant is required to make Remuneration Recommendations directly to the Committee or the Board (other than executive directors) without any qualification or endorsement by management
- ensure that a Remuneration Consultant includes with any Remuneration Recommendation a declaration about whether the recommendation is made free from undue influence by any member of Key Management Personnel to whom the recommendation relates
- consider any Remuneration Recommendation made by a Remuneration Consultant
- consider and make recommendations to the Board on any Remuneration Recommendations, the remuneration for the Chief Executive Officer and other executive directors (including base pay, incentives, equity awards, retirement rights, service contracts) and determine whether any shareholder approvals are required
- review and if acceptable, approve proposed remuneration (including incentives, equity awards and service contracts) for direct reports to the CEO

### **3.2.3 Executive Incentive Plans**

- review and make recommendations to the Board regarding the design of all executive incentive plans
- review and make recommendations to the Board regarding the total proposed payments from each executive incentive plan

### **3.2.4 Non-Executive Director Remuneration**

- review and establish the level of remuneration for non-executive directors. Director remuneration is to be set at a level commensurate with comparable companies and to attract the best candidates for the Board
- where necessary recommend that the Board seek an increase in the remuneration of non-executive directors.

### **3.2.5 Disclosure of Information in Relation to Remuneration**

- make recommendations to the Board for the structure of non-executive directors' remuneration to be distinguished from the remuneration structure of the Chief Executive Officer and any other executive director and all senior management.

### **3.3 SALARY INCREASES AND BONUS PAYMENTS**

#### **3.3.1 Salary Increases and Bonus Payments for All Direct Reports to the CEO**

- Pursuant to a delegation of authority from the Board of Site Group International Limited, the Committee has the power to review and approve all salary increases and bonus payments for all direct reports to the CEO.

#### **3.3.2 Quantum of salary increases and bonus payments for all staff**

- Pursuant to a delegation of authority from the Board of Site Group International Limited, the Committee has the power to review and approve the quantum of salary increases and bonus payments for all staff.

### **3.4 DIVERSITY**

The Committee's responsibilities with respect to diversity are as follows.

#### **3.4.1 Diversity Policy**

- Recommend that the Board approve and adopt a policy to promote the development of a diverse Board, management and workforce ("Diversity Policy"), including measurable objectives with respect to diversity
- Review the Diversity Policy on an annual basis to confirm that the Diversity Policy remains consistent with the Board's objectives and responsibilities with respect to creating and maintaining a diverse Board, management and workforce, as well as compliance with external corporate governance and legal requirements with respect to diversity
- Monitor performance against the objectives of the Diversity Policy, measurable or otherwise, on an annual basis and report to the Board on performance

#### **3.4.2 Diversity Committee**

- Act as the Diversity Committee under the Diversity Policy

#### **3.4.3 External Monitoring**

- Have regard to external staff resourcing trends and metrics, including where appropriate trends and metrics from peer companies, industry and ASX 200, in discharging its responsibilities in relation to diversity

#### **3.4.4 Reporting on Diversity**

- Monitor reporting on performance against the measurable objectives of the Diversity Policy and diversity implications of the Company's reward and recognition strategies
- Make recommendations to the Board in relation to disclosure of information in accordance with the Diversity Policy

### **4. DISCLOSURE**

In order to maintain transparency, the role of the Committee is to be fully and fairly reported. Consistent with the disclosure policy, the Committee will review all public disclosures and statements concerning matters that are subject of this policy including disclosures in:

- ASX announcements

- the annual report
- notices of annual general meetings and other shareholder meetings
- statements to the media

The Committee is to monitor that any notice of meeting containing a resolution for the election of a director is appropriately framed and includes information that investors might reasonably need in order to make an informed decision about the relevant candidates.

## **5. REVIEW**

The Board will conduct an annual review of the Charter to confirm that the Charter remains consistent with the Board's objectives and responsibilities. The Board will need to approve any amendments to the Charter arising from the review.

## **6. PUBLICATION OF THE CHARTER**

The Nomination and Remuneration Committee Charter is available to all directors and staff of the Company. A copy of this Charter is to be placed on Site Group International's website at [www.sitegroupinternational.com.au](http://www.sitegroupinternational.com.au).

## **ANNEXURE 1: LETTER OF APPOINTMENT OF DIRECTOR**

[Insert Date]

[Insert Addressee]

Dear [Insert Name]

### **Appointment As a Director of Site Group International Limited**

I am delighted to confirm your appointment as a director of Site Group International Limited. I believe that given your background and experience you will contribute significantly to the operation of the Board of Site Group International.

The purpose of this letter is to set out the terms of your engagement as a director of Site Group International and to provide information on the operations of the company and the role and responsibilities of the Board.

### **Constitution**

Your appointment as director is governed by the Site Group International constitution. Under the constitution your appointment will be until the annual general meeting (AGM) of Site Group International which is scheduled for [insert date]. Your appointment as a director will be put to the AGM in [insert date] and when confirmed will be subject to shareholder approval as required in our constitution (this works out to be about every three years or so). I encourage you to make yourself familiar with the constitution, in particular, the rules relating to directors.

A copy of the constitution is included in the induction pack that accompanies this letter.

### **Role of Directors and Corporate Governance**

As a director, your duties and obligations are in accordance with the Corporations Act 2001 (Cth), and the Site Group International constitution. The principal duties are also set out in the Directors Code of Conduct. Additional information on the role of directors is set out in the Board Charter. Copies of both the Directors Code of Conduct and the Board Charter are also included in the induction pack that accompanies this letter. The directors are responsible for the stewardship of Site Group International. Corporate governance is regarded as a key priority and, to this end; you are encouraged to become familiar with the formal policies and charters also included in the induction pack.

### **Meetings**

In general, the Board meets monthly. From time to time Board meetings need to be convened at short notice. Additionally, a visit to the Company's operations takes place every 12 months or as needed. Details of the meetings for the remainder of the year are included in the induction pack. Also included in the induction pack is a copy of the current Board Planning Calendar that maps key strategic matters to be considered by the Board Committees and the Board over the current financial year.

### **Access to independent advice**

If you believe that you require independent advice in relation to the performance of your duties as a director of Site Group International, you have the right to seek legal and other professional advice with the prior approval of the Chairman. The costs reasonably incurred are reimbursable by Site Group International. The advice may, at the discretion of the Chairman, be made available to the other directors.

### **Board Committees**

The Board has the following committees:

- Audit and Risk Management Committee
- Nomination and Remuneration Committee

The Board will determine your committee appointments (if any) at the next Board meeting.

### **Participation on Boards of Site Group International's Subsidiary Companies**

Board members also serve as directors for all wholly owned subsidiaries and on the boards of some of Site Group International's majority-owned subsidiary companies. Please refer to the company structure chart (also included in the induction pack) for details of the subsidiary companies. The business relating to subsidiary companies is generally incorporated into the business covered at the Site Group International monthly Board meeting. In order for your appointment to the wholly owned subsidiary companies to be completed, please sign and date the consents to act as a director included with this letter and return them to Lisa Dalton, our company secretary.

### **Director's Fees**

Directors fees are as follows:

- a base annual fee of \$xxx per annum
- a fee of \$xxx per annum if you are appointed Chairman of the Board
- an ARMC membership fee of \$xxx per annum or \$xxx per annum if you are appointed Chairman of the ARMC
- a NRC membership fee of \$xxx per annum or \$xxx per annum if you are appointed Chairman of the NRC.

The above amounts are inclusive of the compulsory superannuation guarantee charge. The fee is payable in cash on a monthly basis.

It is important to note that the amount of remuneration, including all monetary and non-monetary components and termination entitlements, will be subject to disclosure obligations under the Corporations Act and the ASX Listing Rules.

### **Reimbursement of Expenses**

In addition to the annual fee, subject to the constitution and resolutions of shareholders, Site Group International will reimburse you for all reasonable expenses properly incurred by you in the performance of your duties in connection with the business of Site Group International. This will include reimbursement of business class airfares should you be required to travel on company business.

### **Deeds of Indemnity & Access and Director's Disclosure**

Site Group International also enters into deeds with its directors:

- the first is a Deed of Indemnity, Access and Insurance which creates an obligation on Site Group International to:
- indemnify and maintain insurance in your favour with respect to certain liabilities which you may incur as a result of being a director (a copy of the current D&O policy terms is included in the induction pack),
- maintain safe and secure Board papers for a period of 7 years from the date that you cease being a director, and
- provide you with access to Board papers (created during the period of appointment as a director) for a period of 7 years from the date that you cease being a director.
- the second is a Deed of Disclosure. It is an ASX Listing Rule requirement that Site Group International have arrangements in place to ensure that you disclose to it all information required for the purpose of compliance with ASX Listing Rule 3.19B. The deed sets out obligations on you to

disclose that information together with obligations on Site Group International to provide copies and maintain records of information lodged with the ASX.

The proposed Deed of Indemnity, Access and Insurance and the Director's Disclosure Deed are attached to this letter for your review. They will be submitted to the next Board meeting for approval. If you have any comments or queries on the deeds, please contact our Company Secretary.

### **Business and Site Induction**

A half day meeting with the CEO and the ELG is also available to provide an overview of Site Group International's business and operations. We will make contact with you in the near future to arrange a suitable time for this meeting.

Visits to our sites is scheduled into the Business Planning Calendar on an annual basis. Please refer to the Business Planning Calendar for the dates of site visits planned for the current financial year. If the scheduled Board site visit is some time away, a site visit can be arranged sooner for you.

### **Other Directorships and Commitments**

As a director of Site Group International you are not precluded from being appointed to other directorships including to the boards of other publicly listed companies. These, naturally, should be disclosed to the Company Secretary together with all related party interests.

I would appreciate you confirming your agreement with the above terms by signing the attached copy of this letter as soon as possible and returning it to our Company Secretary, in the envelope provided. Finally, I look forward to working with you towards building shareholder wealth in this great company.

Yours faithfully

**SITE GROUP INTERNATIONAL LIMITED**  
**Chairman**

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Agreed & Accepted  
[Insert Name]

## **ANNEXURE 2: NEW DIRECTORS INDUCTION PROCEDURE**

This document sets out the induction procedure applicable to new non-executive directors.

### **STEP 1 Induction pack**

Provide the director with an induction pack. The induction pack will include the following:  
Site Group International's constitution (including a summary of the key provisions)

- organisational structure diagram
- relevant Site Group International policies
- Board charter and charters for the Nomination & Remuneration Committee and Audit & Risk Management Committee
- Corporate Code of Conduct
- Directors Code of Conduct
- last annual financial report
- copy of the auditor's last report to the Board
- copy of the last Board meeting package
- copy of the Board/ELG Business Planning Calendar for the relevant financial year.
- Any other reports will be made available if requested

### **STEP 2 Management Presentations**

- Presentations on the different aspects of Site Group International's business given by each direct report to the Chief Executive Officer

### **STEP 3 Site Visits**

- Provide the director with a tour of Site Group International's main operating sites if the scheduled annual Board visit to the sites is not scheduled to take place within three months of appointment of the new director

### **STEP 4 Ongoing Access to Information**

- Provide a briefing on contacts within Site Group International for information

### **STEP 5 Further Training**

- Identify the need for and arrange any specific further training which may be required.

## **ANNEXURE 3: THE EVALUATION PROCESS APPLICABLE TO THE BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS**

### **Guidelines**

The performance evaluation process is intended to:

- be independent of management
- be objective and appear to be objective
- encourage open and constructive discussion in relation to performance
- preserve the confidentiality of each individual's performance assessment
- provide for discussion of issues which have been identified during the performance evaluations in the appropriate forum and followed up regularly between reviews
- cover the performance of the Board, each committee and each director

#### **ANNEXURE 4: POLICY AND PROCEDURE FOR THE APPOINTMENT OF NEW DIRECTORS**

The appointment of a new director to the Board, either to fill a casual vacancy or as an addition to the existing Board of directors must be made with the approval of the majority of the independent directors. The Nomination and Remuneration Committee has delegated authority from the Board to identify, short list and recommend the appointment of a new director to the Board. In identifying, selecting and appointing a new director, the NRC and the Board will assess the following criteria:

The needs of the Board to maximise the likelihood that there is a range of skills, experience and perspectives represented, including an understanding of:

- the industry in which the Company operates
- the regulatory environment in which the Company operates
- the markets in which the Company operates
- the communities impacted by the Company's operations
- The appointee's particular skills and experience
- The appointee's capacity to bring a new skills, experience and perspective to and enhance the culture within the existing Board and the company

#### **POLICY FOR THE APPOINTMENT OF DIRECTORS**

The Board's policy for the appointment of directors aims to meet the objective of any potential director best matching the needs of the Board.

Factors considered in appointing a new director include:

- the time commitment required by a director to discharge effectively the duties to the Company
- the nature of existing positions, directorships or other material relationships and the impact that each may have on the potential appointee's ability to exercise an independent judgment
- the extent to which the potential appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board
- the strategic and operational advantages of broadening the membership of the Board in terms of diversity of experience, skills, values, perspectives and backgrounds
- the extent to which the potential appointee meets the independence criteria as outlined in the ASX Principles of Good Corporate Governance

In accordance with the Company's Constitution, any new director appointed to the Board will hold office from the date of appointment until the next General Meeting of the Company and is then eligible for re-election.

The Notice of Meeting involving the election of directors should provide sufficient information to shareholders so they can make an informed choice about who should be elected as a director. The Notice is to set out a range of matters about the person recommended for election as a director, including the matters required by the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations.

#### **PROCEDURE FOR THE APPOINTMENT OF DIRECTORS**

1. The Nomination and Remuneration Committee (NRC) will regularly review the size, composition and performance of the Board having regard to the number of current directors, the current and prospective areas of the business, the skills and experience, both existing and required, having regard to the scope of Site Group International's business activities.

2. In the event that the NRC believes that a new director needs to be appointed, either to fill a casual vacancy or increase the total number of directors, names of potential candidates are to be sought from

existing Board members. In addition, the NRC may engage the services of one or more recruitment agencies to identify appropriate candidates.

3. The NRC will review the list of nominees against the criteria and factors set out above.

4. The NRC will then appoint one or more directors to contact the short listed candidates and confirm the suitability of otherwise of the candidate for appointment as a director.

5. The nominated directors will report back to the NRC on these discussions. The NRC may make any other enquiries regarding the short listed candidates as it deems appropriate.

6. Once satisfied that all relevant information has been obtained and assessed, the NRC will make an appropriate recommendation to the Board.

7. If approved, the Board will then authorise the Company Secretary to formally invite the candidates to join the Board in conjunction with the company's induction program for new directors, including a letter of appointment.