
Wellard Limited
29 June 2016



Nomination and Remuneration Committee Charter

What is the purpose of this Charter?

This Charter describes the Committee's role as a committee of the Board.

This Charter has been approved by the Board. It may be reviewed and amended by the Board at any time.

The Committee will review this Charter each year to ensure that it appropriately documents, and assists the Committee to perform, its role.

What is the Committee's role?

The Committee will assist the Board in:

- ensuring that the Board has an appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively;
- addressing Board succession issues; and
- setting the level and composition of remuneration for Directors and senior executives and ensuring it is appropriate and not excessive.

What are the Committee's responsibilities?

The Committee will review and make recommendations to the Board in relation to the following.

- Board succession planning generally.
- Induction and continuing professional development programs for Directors.
- The development and implementation of a process for evaluating the performance of the Board, its committees (including the Committee) and Directors.
- The process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, considering the role and capabilities required for a particular appointment.
- The time commitments required of non-executive Directors and whether the requirements are being met.
- The appointment and re-election of Directors.
- Ensuring there are plans in place to manage the succession of the CEO and other senior executives.
- Adopting measurable objectives for achieving diversity throughout Wellard and assessing progress towards achieving those objectives.
- The remuneration framework for Directors, including the process by which any pool of Directors' fees approved by Wellard's members is allocated to Directors.

- The remuneration packages to be awarded to the CEO and other senior executives.
- Assist the Chairman of the Board in the annual performance review of the CEO.
- Equity-based remuneration plans for senior executives and other employees.
- Superannuation arrangements for Directors, senior executives and other employees.
- Whether there is any gender or other inappropriate bias in remuneration for Directors, senior executives or other employees.
- Any other matter delegated to the Committee by the Board in order to fulfil the Committee's role.

On what aspects of Remuneration will the Committee advise the Board?

The Committee shall review and make recommendations to the Board in relation to the following aspects of remuneration:

- **Remuneration Strategy and Policy:** Wellard's remuneration strategies and policies, in particular Wellard's policy for determining executive remuneration.
- **Non-executive Remuneration:** Remuneration of non-executive Directors, including base pay, committee fees, equity benefits, travel and other benefits.
- **Executive Directors and Senior Management:** (1) Remuneration of each executive Director and senior executive (including base pay, incentive payments, equity awards, retirement rights and service contracts); and (2) The proposed remuneration arrangements (including incentive awards, equity awards and service contracts) for the direct reports of the CEO.
- **Incentive Plans and Equity Plans:** (1) All executive incentive plans, including equity plans; (2) Any proposed awards under the plans both generally and on an individual basis for executives; (3) The legal and regulatory compliance of each plan, including any changes to legislation or regulations; and (4) The performance hurdles under each plan and whether any hurdles have been satisfied.
- **Shareholder approvals:** Whether Shareholder approvals are required in respect of any aspect of executive or Director remuneration.

What policies and procedures are there for nomination of new Directors?

The following factors shall be considered when reviewing a potential candidate for Board appointment:

- the skills, experience, expertise and personal qualities and attributes that will best ensure Board effectiveness;
- the diversity of Board composition;
- the capability of the candidate to devote the necessary time and commitment to the role; and

- potential conflicts of interest, and independence.

The Committee will ensure the following is obtained prior to putting forward a candidate for election as a Director:

- all appropriate checks and searches recommended by the ASX Corporate Governance Principles & Recommendations;
- biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
- details of any other material directorships;
- details of any interest, position, or relationship that might influence, or reasonably be perceived to influence their capacity to bring independent judgement on issues before the Board and to act in the best interests of Wellard; and
- details of their other commitments and an acknowledgement that they will have sufficient time to fulfil their responsibilities as a director.

What is the Committee's reporting duties?

The Committee will oversee and assist in the preparation of the following items for inclusion in Wellard's Annual Report:

- the annual Remuneration Report; and
- the Board composition and structure disclosures required by the ASX Corporate Governance Principles and Recommendations (including the Board skills matrix).

How does the Committee assess the Independence of Directors?

A majority of the Board should comprise independent Directors. The Committee shall regularly assess and determine the independent status of each Director by taking into account the interests and information disclosed by each Director, including whether the Director:

- is a substantial shareholder of Wellard (holding a relevant interest in more than 5% of Wellard shares) or is otherwise directly associated with a substantial shareholder of Wellard;
- is employed, or has previously been employed in an executive capacity by Wellard or its subsidiaries, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a material professional adviser or consultant of Wellard;
- is a material supplier or customer of Wellard or is otherwise directly associated such parties; or
- has a material contractual relationship with Wellard other than as a Director.

What is the Committee's role in relation to diversity?

The Committee shall oversee the management of Wellard's Diversity strategy, policy and practices. On an annual basis the Committee shall review progress and make recommendations to the Board as appropriate in regard to:

- the Company's diversity initiatives;
- the Company's gender pay equity initiatives; and
- the relative proportion of male and females on the Board, in senior management and general workforce.

Who does the Committee report to?

The Chairman will report to the Board and, if appropriate, make recommendations to the Board after each Committee meeting, concerning matters dealt with by the Committee.

Who are the Committee members?

The Board will appoint at least three Directors to the Committee and the majority will be independent Directors, one of whom will be appointed by the Board as the Chairman (an alternate chair should be appointed if and when the Committee is dealing with matters that directly relate to the Chair). The Board will try to ensure that the Committee has an appropriate diversity of membership to avoid entrenching unconscious bias.

A quorum will comprise any two non-executive Director Committee members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

The Committee's composition will be disclosed and reviewed on an annual basis by the Board. However, the Board may in its discretion, remove and replace any of the Committee's members at any time.

What Access does the Committee have to Information and External Advice?

The Committee shall have full authority and resources to investigate all matters falling within this Charter. The Committee has the authority to require:

- the attendance of any Director or employee of Wellard at Committee meetings; and
- unrestricted and unfettered access to any information, document, report or material in the possession of any manager, employee or entity of Wellard, and all employees and managers must comply with such requests from the Committee, subject to any legal requirements, including any fiduciary or statutory duties of Committee members.

If the Committee considers it necessary or appropriate to do so, it can retain external consultants or advisers to provide advice and/or reports to the Committee in discharging its responsibilities, including assisting the Committee in identifying suitable Director nominee candidates.

How are the Committee's meetings regulated?

The Committee will meet at least twice annually and more frequently if determined appropriate by the Committee or the Board. The Committee's meetings will be regulated in accordance with the Constitution.

Administrative support will be provided to the Committee by the Company Secretary.

Definitions

Board	The board of directors of Wellard.
CEO	The chief executive officer of Wellard.
Chairman	The chairman of the Committee.
Charter	This document as amended from time to time.
Committee	The nomination and termination committee of the Board.
Constitution	The constitution of the Company.
Director	A director of Wellard.
Wellard	Wellard Limited ACN 607 708 190, including all subsidiaries.