

Petro Australis Energy Limited

ACN 623 085 263

(Company)

Corporate Governance Policies

Remuneration and Nominations Committee Charter

1. **Composition of the Remuneration and Nomination Committee**

The Board of Directors of the Company is responsible for overseeing the duties and responsibilities of the Remuneration & Nominations Committee (“the **Committee**”).

The full Board presently performs the function of the Committee. A separate Committee may be established when appropriate, as the Company's activities develop in size, nature and scope, and where increased efficiency and effectiveness can be derived from having a separate Committee.

From time to time, non-Board members may be invited to attend Board meetings when nomination or remuneration matters are being discussed, if it is considered appropriate.

If the Board determines that a separate Committee is appropriate and necessary, the Board will ensure, if practicable, that the Committee is chaired by an independent Non-Executive Director and consists of a minimum of three Non-Executive Directors and a majority of Independent Directors, where practical.

Until a separate Committee is established, all references to Committee within this document is taken to be the Board acting as the Committee.

The secretary of the Committee will be the Company Secretary.

2. **Objectives, Purpose and Role**

The objective of the Committee is primarily to assist the Board in the provision of effective people policies and practices that align with the Company's business strategy, culture and values and aids the achievement of the business plan to deliver business growth and shareholder value.

The Committee shall review and make recommendations to the Board in connection with the following areas:

- (a) the Company's remuneration policy;
- (b) remuneration packages for the Chief Executive Officer (“CEO”), senior executives who are the CEO's direct reports, other senior management as the Board may determine from time to time and non-executive Directors;
- (c) succession planning for executive roles and other significant senior management roles;
- (d) the composition, performance and effectiveness of the Board;

- (e) talent Management focusing on high potential employees within the executive and senior management levels of the Company and oversee the implementation of appropriate development opportunities and training;
- (f) ensuring management has in place the appropriate policies and carries out the necessary workplace practices to protect the safety and health of all employees, customers, contractors and visitors;
- (g) reporting to shareholders and other relevant stakeholders on remuneration and any other key people matters;
- (h) diversity, with specific reference to any adopted policy of the Company regarding diversity together with any objectives set for achieving gender diversity and pay equity; and
- (i) compliance with statutory and regulatory requirements including the ASX Listing Rules and the Corporations Act.

3. Meetings of the Committee

A quorum of members of the Committee shall be two. The Committee may have in attendance such members of management and such other persons including external advisers, as it considers necessary to provide appropriate information and advice.

All Directors of the Board shall be entitled to attend meetings of the Committee provided that the CEO and other Executive Directors must be absent from discussions or meetings where they are conflicted for personal reasons.

Meetings shall be held not less than two times a year to fit in with the remuneration and planning cycles. Any member of the Committee or the Company Chairperson may request a meeting at any time they consider it necessary.

Reasonable notice of meetings and the business to be conducted shall be given to all those attending meetings. The Committee shall meet without management in attendance, including the CEO, at such times as the Committee considers appropriate.

Minutes of Committee meetings will be prepared by the Secretary, approved by the Chairperson in draft and circulated to all members. The minutes of a Committee meeting will be approved at the next Committee meeting and signed by the Chair.

Each member shall have one vote. The Chairperson will not have a second or casting vote.

A member must not be present for discussions at a Committee meeting on, or vote on a matter regarding, their own election, re-election, removal, remuneration or a specific remuneration policy that affects them. However, a member who is a Non-Executive Director may be present and vote in relation to the remuneration of all Non-Executive Directors.

At the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings will be disclosed.

The Chairperson of the Committee will report on the actions and recommendations of the Committee to the Board at the next Board meeting following a meeting of the Committee. All Directors will be permitted, during a Board meeting, to request information from the Chairperson of the Committee or members of the Committee.

4. Responsibilities

Subject to the limitations on the Committee's authorities contained in section 5, the responsibilities of the Committee are to:

- (a) review and recommend to the Board the size and composition of the Board;
- (b) review, assess and recommend to the Board the desirable competencies of Board members in line with the Company's Board skills matrix, which sets out the skills and diversity that the Board currently has and seeks to achieve in its membership;
- (c) assist the Board to identify individuals who are qualified to become Board members by assessing:
 - (i) the skills, experience, expertise and personal qualities that will best complement the effective operation of the Board;
 - (ii) 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); and
 - (iii) potential conflicts of interest and independence.

The identification of potential Director candidates may be assisted by use of external recruitment agencies. Offers of a Board appointment must only be made by the Chairperson after all Directors have been consulted, with any recommendations from the Committee having been circulated to all Directors;

- (d) review and provide recommendations to the Board concerning the election or re-election of persons as Directors;
- (e) assist the Board to assess Board performance, and the performance of Board committees, individual Directors and senior management (if required);
- (f) undertake appropriate checks, including as to the person's character experience, education, criminal record and bankruptcy history before appointing a Director or senior executive;

- (g) review and manage potential conflicts of interest and the independence of individual Directors, including maintaining records of any other material Directorships held by each Director;
- (h) review and make recommendations in relation to any corporate governance issues, in respect to nominations and remuneration, as requested by the Board from time to time;
- (i) review the time expected to be devoted by non-executive Directors to the Company's affairs;
- (j) develop and review an effective induction process;
- (k) develop and review an induction and professional development program to ensure Directors have the opportunity to develop and maintain the requisite skills and knowledge; and
- (l) if requested by the Board, ensure that the Board receives briefings on material developments in laws, regulations and accounting standards.
- (m) Review and approve the overall People Strategy, monitor management's implementation of the strategy and oversee management's alignment of the strategy with the Company's overall business strategy and objectives;
- (n) Review and approve the Company's policies and programs to achieve health and safety objectives and to review the Company's health and safety performance against agreed targets;
- (o) Review the effectiveness of the remuneration, recruitment, retention and termination policies and procedures for senior executives and for employees of the Company generally;
- (p) Review and recommend to the Board, in accordance with the Company's remuneration policies and procedures, all components of the remuneration of the Executive Directors, and having regard to their recommendations, the Executive Director's direct reports and such other senior management as the Board may from time to time determine. The components shall include base salary, entitlements under employee STI and LTI plans, company share schemes, superannuation arrangements, ex gratia payments where relevant and all other entitlements and benefits from their employment;
- (q) Review and recommend to the Board, as appropriate, the terms of employment of the Executive Directors, the their direct reports and such other senior management as the Board may from time to time determine;
- (r) Review and recommend to the Board the terms of the Company's short and long term incentive plans including any share and option schemes for employees;

- (s) Recommend to the Board whether offers are to be made under any or all of the Company's employee incentive schemes in respect of a financial year;
- (t) Ensure that the Company's remuneration policy is designed in such a way that it:
 - (i) is aligned with the Company's strategies and objectives and shareholder interests;
 - (ii) motivates senior executives to pursue the long-term growth and value of the Company without rewarding conduct that is contrary to the Company's values or risk appetite;
 - (iii) ensures no individual Director or senior executive should be involved in deciding his or her own remuneration;
 - (iv) considers the implications for its reputation and standing in the community if it is seen to pay excessive remuneration to Directors and senior executives;
 - (v) considers its commercial interest in controlling expenses; and
 - (vi) demonstrates a clear relationship between senior executives' performance and remuneration.
- (u) Review and recommend to the Board, the terms of the Company's superannuation schemes, as may be applicable;
- (v) Review and recommend to the Board, the terms of the Company's superannuation schemes, as may be applicable;
- (w) Review and recommend to the Board the remuneration arrangements for the Chairman and the non-executive Directors of the Board, including fees, travel and any other benefits considered appropriate within acceptable limits of good corporate governance as may be prescribed by the listing rules of any exchange on which the Company is listed;
- (x) Consider and review the level of the aggregate fees payable to all Directors as required to be approved by shareholders in accordance with the Constitution;
- (y) Review and recommend to the Board in connection with the Company's people policies and practices in the following areas:
 - (vii) Succession Planning for executive roles and other significant senior management roles.
 - (viii) Talent Management focusing on high potential employees within the executive and senior management levels of the Company and the implementation of appropriate development opportunities and training; and

- (ix) Diversity having regard in particular to the requirements of relevant published guidance or principles in Australia.
- (z) Prepare a Remuneration Report of the Board for disclosure to shareholders through the Annual Report;
- (aa) Consider and review such other matters as may be referred by the Board;
- (bb) In conjunction with the Audit & Risk Committee, monitor that all remuneration based accounting requirements have been complied with (including and disclosure requirements);
- (cc) Review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices; and
- (dd) Approving the appointment of the remuneration consultants for the purposes of the Corporations Act.

The Board may delegate certain responsibilities to the Committee from time to time, which may include setting measurable objectives for achieving positive diversity outcomes in the composition of its Board, senior management and workforce generally, pursuant to the Diversity Equity & Inclusion Policy.

5. Authorities

The Committee will make recommendations to the Board on all matters requiring a decision including the matters set out in section 4. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.

The Committee is authorised by the Board, at the expense of the Company to initiate special investigations or obtain any external information and advice including market surveys and reports as it thinks necessary to carry out its responsibilities.

6. Review

The Committee will undertake an annual review of its objectives and responsibilities. The objectives and responsibilities may be reviewed by the Board and the CEO and any other person the board considers appropriate.

The Committee will obtain feedback from the Board on the Committee's performance annually and implement any agreed actions.

This charter will be reviewed annually.