



# Nomination and remuneration committee charter

Ellerston Asian Investments Limited ACN 606 683 729  
(Company)

# Nomination and remuneration committee charter

## 1. Introduction

- 1.1 The Nomination and Remuneration Committee is a committee of the board of directors of the Company (**Board**).
- 1.2 The Board established the Nomination and Remuneration Committee under the Company's constitution.
- 1.3 This charter sets out the scope of the Nomination and Remuneration Committee's responsibilities in relation to the Company.
- 1.4 The role of the Nomination and Remuneration Committee is not an executive role.

## 2. Objective

- 2.1 The objective of the Nomination and Remuneration Committee is to help the board achieve its objective to ensure the Company:
  - (a) has a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
  - (b) has coherent remuneration policies and practices to attract and retain non-executive directors who will create value for shareholders; and
  - (c) observes those remuneration policies and practices.

## 3. Nominations – responsibilities

- 3.1 The Nomination and Remuneration Committee is responsible for:
  - (a) identifying and recommending to the Board, nominees for membership of the Board;
  - (b) identifying and assessing the necessary and desirable competencies and characteristics for Board membership and regularly assessing the extent to which those competencies and characteristics are represented on the Board;
  - (c) establishing processes for identifying suitable candidates for appointment to the Board to ensure an appropriate mix of expertise, experience and succession;
  - (d) prepare, review and update on a regular basis director's education and skills enhancement program;
  - (e) ensuring succession plans for Board and executives (if any) are in place. A report on these plans is to be prepared and submitted to the Board at least once per year; and
  - (f) recommending the retirement of directors.

## 4. Performance of directors - responsibilities

- 4.1 The Nomination and Remuneration Committee is responsible for:
  - (a) establishing processes for evaluating the performance of the Board, both collectively and individually;
  - (b) annually evaluating the performance of the Board, both collectively and individually;

- (c) regularly reviewing the time required from directors to perform their functions and assessing whether they are satisfying time requirements; and
- (d) developing continuing education programmes for directors.

4.2 A member of the Nomination and Remuneration Committee must not participate in any review or assessment of their own performance.

## 5. Remuneration policies and practices

5.1 Independent non-executive directors should be paid directors fees in cash at a level determined by the Board.

## 6. Remuneration - responsibilities

6.1 In performing its responsibilities in relation to remuneration, the Nomination and Remuneration Committee must give appropriate consideration to the Company's position as an externally managed investment company where containment of costs is an important consideration.

6.2 The Nomination and Remuneration Committee is responsible for:

- (a) reviewing the remuneration of non-executive directors for serving on the Board and any committee (both individually and in total);
- (b) recommending to the Board the remuneration, retirement and termination policies for non-executive directors having regard to market trends and shareholder interests; and
- (c) reviewing any insurance premiums or indemnities for the benefit of directors.

## 7. Other responsibilities

7.1 The Nomination and Remuneration Committee is responsible for doing anything the Board considers appropriate in the context of this charter.

## 8. Nomination and Remuneration Committee composition

8.1 The Nomination and Remuneration Committee must comprise:

- (a) at least 3 directors;
- (b) all non-executive directors; and
- (c) all or a majority of independent directors.

8.2 The Nomination and Remuneration Committee will appoint its chairperson. The chairperson of the Nomination and Remuneration Committee must be an independent director.

8.3 The Board decides appointments, rotations and resignations within the Nomination and Remuneration Committee having regard to the ASX Listing Rules, the Corporations Act and the Company's constitution.

8.4 A Nomination and Remuneration Committee member may act by their alternate.

## 9. Nomination and Remuneration Committee meetings

9.1 The Nomination and Remuneration Committee will meet as often as it considers necessary.

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- 9.2 Subject to clauses 9.3 and 9.4, the quorum for a Nomination and Remuneration Committee meeting is two Nomination and Remuneration Committee members.
- 9.3 Subject to clause 9.4, where there are only 2 Nomination and Remuneration Committee members present at the meeting, a resolution passed is valid only if both members are independent directors.
- 9.4 Alternatively, where one member is an independent director and the other member is a non-independent director, the independent director will, in addition to his or her member vote, have a casting vote in the event of a split in the voting between the two members comprising the quorum.
- 9.5 Nomination and Remuneration Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.
- 9.6 A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the committee, generally no later than one week prior to the date of the meeting. The notice will include relevant supporting papers for the agenda items to be discussed.
- 9.7 The Nomination and Remuneration Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in section 248A of the Corporations Act.
- 9.8 The Nomination and Remuneration Committee may invite anyone it considers appropriate to attend Nomination and Remuneration Committee meetings.
- 9.9 The Nomination and Remuneration Committee must keep minutes of its meetings and shall report these regularly to the Board.

## 10. Access to information and independent advice

- 10.1 The Nomination and Remuneration Committee may seek any information it considers necessary to fulfil its responsibilities.
- 10.2 The Nomination and Remuneration Committee has access to management to seek explanations and information from management, at the Company's cost.
- 10.3 The Nomination and Remuneration Committee may seek professional advice from employees (if any) of the Company and from appropriate external advisers, at the Company's cost. The Nomination and Remuneration Committee may meet with external advisers without management being present.

## 11. Review and changes to this charter

- 11.1 The Nomination and Remuneration Committee will review this charter annually or as often as it considers necessary.
- 11.2 The Board may change this charter from time to time by resolution.

## 12. Approved and adopted

- 12.1 This charter was approved and adopted by the Board on 27 July 2015.