

AUSTOCK GROUP LTD

NOMINATION & REMUNERATION COMMITTEE CHARTER

1. INTRODUCTION

- 1.1 The Board of Austock Group Limited (“the Board”) has resolved to establish a committee called The Nomination & Remuneration Committee (“the Committee”).
- 1.2 Remuneration will ultimately remain the responsibility of the full Board. As such, the Committee will advise and assist the Board with remuneration policy.

2. PURPOSE

- 2.1 The Committee is a committee of the Board. The Committee’s primary functions are to:

- (1) set director competence standards;
- (2) review Board succession plans;
- (3) evaluate the Board’s performance;
- (4) make recommendations for the appointment and removal of directors to the Board;
- (5) make recommendations to the Board on:
 - (a) executive remuneration and incentive policies;
 - (b) the remuneration packages of senior management;
 - (c) Austock’s recruitment, retention and termination policies for senior management;
 - (d) incentive schemes;
 - (e) superannuation arrangements; and
 - (f) the remuneration framework for directors.

- 2.2 The Committee will provide recommendations to the Board to ensure the quality, integrity and probity of all remuneration policies and practices.

- 2.3 The Committee will recommend to the Board performance measurement processes that support the corporate objectives of Austock Group Limited (“Austock”) and its subsidiaries.

3. MEMBERSHIP AND TERM

- 3.1 The Committee shall consist of a minimum of 3 directors and a majority of them must be independent.
- 3.2 Appointment to the Committee will be for 1 year or as determined by the Board.

3.3 A quorum shall be two members or any greater number determined by the Committee from time to time.

3.4 The duties and responsibilities of a member of the Committee shall be in addition to those duties set out for a director of the Board.

4. CHAIRMAN

4.1 The Chairman of the Committee will be the person appointed as Chairman of the Board. Should the Chairman be absent from a meeting, the members of the Committee present at the meeting shall choose one of the other members of the Committee to Chair that particular meeting.

5. FREQUENCY OF MEETINGS

5.1 The Chairman will call a meeting of the Committee if so requested by any member of the Committee.

5.2 The Committee must meet at least three times each year and usually once each quarter.

6. COMMITTEE MEMBERS' INTERESTS

6.1 A member of the Committee is not entitled to be present when his or her own salary or fee is discussed at a meeting or when his/her performance is being evaluated.

7. SECRETARY

7.1 The Company Secretary will be the Secretary of the Committee.

7.2 The Secretary is responsible for preparing the agenda and the minutes of each meeting of the Committee.

8. VOTING

8.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

8.2 In the case of equality of votes, the Chairman of the meeting, in addition to his deliberative vote, has a casting vote.

9. ACCESS

9.1 The Committee shall have direct access to Austock's officers and advisers, both external and internal, and shall have the authority to seek whatever independent, professional or other advice it requires from outside the company in order to assist it in meeting its responsibilities.

10. NOMINATION DUTIES

10.1 The duties of the Committee in relation to nomination matters include:

- (1) determining the appropriate size and composition of the Board;

- (2) setting a formal and transparent procedure for selecting new directors for appointment to the Board;
- (3) developing criteria for selection of candidates for the Board in the context of the Board's existing composition and structure;
- (4) making recommendations to the Board on the appointment and removal of directors;
- (5) developing a plan for identifying, assessing, and enhancing director competencies;
- (6) developing a succession plan for the Board and regularly reviewing the plan;
- (7) reviewing the time required from a non-executive director and whether directors of the Board are meeting this requirement;
- (8) evaluating the performance of the Board and key executives; and
- (9) ensuring that there is an appropriate induction program in place for new directors and members of senior management and reviewing its effectiveness.

11. REMUNERATION DUTIES

11.1 The duties of the Committee in relation to remuneration matters include:

- (1) determining remuneration policies and remuneration of directors;
- (2) determining remuneration policies and incentive packages of key executives;
- (3) determining Austock's recruitment, retention, and termination policies and procedures for senior management;
- (4) determining and reviewing incentive schemes;
- (5) determining and reviewing superannuation arrangements of Austock;
- (6) determining professional indemnity and liability insurance for directors and senior management; and
- (7) reviewing succession plans for senior management.

11.2 The Committee shall ensure that the Board and senior management are provided with sufficient information to ensure informed decision making.

11.3 The Committee is authorised to make special bonus payments to staff who generate new ideas or introduce new innovations outside their day to day responsibilities that result in increased revenue or improved profitability for Austock.

12. **REPORTING**

- 12.1 Proceedings of all meetings must be minuted and signed by the Chairman or the chairman of the meeting.
- 12.2 Minutes of all Committee meetings must be circulated to the members and approved by the Committee at the subsequent meeting.
- 12.3 The Committee must, at least annually, provide the Board with its recommendations in relation to nomination and remuneration.

13. **REVIEW OF CHARTER**

- 13.1 The Board will review this charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

14. **PUBLICATION OF THIS CHARTER**

- 14.1 Key features of the charter are to be outlined in the annual report to shareholders.
- 14.2 A copy of this charter is available at www.austock.com.
- 14.3 The charter is to be made available to shareholders of Austock upon request.