

MASTERMYNE GROUP LIMITED (Company)
REMUNERATION AND NOMINATION COMMITTEE

1. Purpose

The Remuneration and Nomination Committee Charter (**Charter**) governs the operations of the Remuneration and Nomination Committee. It sets out the Remuneration and Nomination Committee's role and responsibilities, composition, structure and membership requirements.

The Remuneration and Nomination Committee is established by the Board of the Company (**Board**). The purpose of the Remuneration and Nomination Committee is to assist the Board by:

- (a) providing advice in relation to remuneration packages of senior executives, non-executive Directors and executive Directors, equity-based incentive plans and other employee benefit programs;
- (b) reviewing the Company's recruitment, retention and termination policies;
- (c) reviewing the Company's superannuation arrangements;
- (d) reviewing succession plans of senior executives and executive Directors;
- (e) recommending individuals for nomination as members of the Board and its committees;
- (f) ensuring the performance of senior executives and members of the Board are reviewed at least annually;
- (g) considering those aspects of the Company's remuneration policies and packages, including equity-based incentives, which should be subject to shareholder approval; and
- (h) monitoring the size and composition of the Board.

2. Membership

- 2.1 The Remuneration and Nomination Committee will have a minimum of three members (all being non-executive directors), the majority being independent non-executive Directors.
- 2.2 The Remuneration and Nomination Committee will be chaired by the chairman appointed by the Board from time to time.
- 2.3 Members will be appointed for a period of no more than one year, with Remuneration and Nomination Committee members generally being eligible for re-appointment for so long as they remain non-executive directors of the Board. The terms of appointment are:
 - Members may resign upon reasonable notice in writing to the Remuneration and Nomination Committee chairman.
 - A member may from time to time be immediately removed by notice in writing under the hand of the Remuneration and Nomination Committee chairman.

- Ceasing to be a director of the Board is the automatic termination of appointment as a member of the Remuneration and Nomination Committee.

3. **Current Members**

3.1 Current members are Peter Slaughter (Chairman), Ian Hall and Darren Hamblin.

4. **Meetings**

4.1 The Remuneration and Nomination Committee will meet as often as necessary, but must meet at least twice a year and one of those meetings must take place at least two months prior to each annual general meeting.

4.2 The chairman of the Remuneration and Nomination Committee must call a meeting of the Remuneration and Nomination Committee if so requested by any Remuneration and Nomination Committee member, the Managing Director or the Company Secretary.

4.3 The Remuneration and Nomination Committee may invite other persons, such as internal specialists or external advisers, to attend meetings if considered appropriate by the chairman of the Remuneration and Nomination Committee.

4.4 The quorum necessary for a meeting of the Remuneration and Nomination Committee shall be two members, of whom at least one must be an independent Director.

5. **Secretary**

5.1 The Company Secretary will act as the Secretary of the Remuneration and Nomination Committee and will attend all Remuneration and Nomination Committee meetings.

5.2 The Company Secretary, in conjunction with the chairman of the Remuneration and Nomination Committee, must prepare an agenda to be circulated to each Remuneration and Nomination Committee member at least two full working days prior to each meeting of the Remuneration and Nomination Committee.

5.3 The Company Secretary will distribute a meeting timetable for each forthcoming calendar year.

6. **Reporting**

6.1 The chairman of the Remuneration and Nomination Committee must report the findings and recommendations of the Remuneration and Nomination Committee at the next Board meeting following each meeting of the Remuneration and Nomination Committee.

6.2 The minutes of all Remuneration and Nomination Committee meetings will be circulated to members of the Board by the Company Secretary.

6.3 Prior to the end of the financial year the chairman of the Remuneration and Nomination Committee may submit an annual report to the Board summarising the Remuneration and Nomination Committee's activities during the year and the Remuneration and Nomination Committee's significant results and findings.

6.4 The Remuneration and Nomination Committee must approve:

- (a) the details to be published in the Company's annual report or any other statutory report or document with respect to the activities and responsibilities of the Remuneration and Nomination Committee; and

- (b) any statement on the Company's remuneration policy and executive compensation disclosures that may be required by law or other regulatory requirements (including any such statement to be included in the Company's annual report).

7. **Responsibilities**

7.1 In addition to any other matters which may be delegated to the Remuneration and Nomination Committee by the Board (including special investigations), the Remuneration and Nomination Committee is responsible for:

Remuneration of senior executives and executive Directors

- (a) regularly reviewing and making recommendations to the Board with respect to an appropriate remuneration policy including retirement benefits and termination payments (if any) for senior executives and executive Directors, ensuring that such a policy:
 - (i) enables the Company to attract and retain valued employees;
 - (ii) motivates senior executives and executive Directors to pursue the long term growth and success of the Company;
 - (iii) demonstrates a clear relationship between performance and remuneration; and
 - (iv) has regard to prevailing market conditions.
- (b) regularly reviewing and making recommendations to the Board regarding the remuneration packages of senior executives and executive Directors, including (as appropriate) fixed, performance-based and equity-based remuneration, reflecting short and long term performance objectives appropriate to the Company's circumstances and goals;
- (c) making recommendations to the Board with respect to the quantum of short term incentives (if any) to be paid to senior executives;

Remuneration of non-executive Directors

- (d) making recommendations as to the structure of remuneration for non-executive Directors;
- (e) ensuring that fees paid to non-executive Directors are within the aggregate amount approved by shareholders and making recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;

Employee benefits and other policies

- (f) making recommendations to the Board with respect to the implementation and operation of equity-based incentive plans and other employee benefit programs;
- (g) regularly reviewing the Company's recruitment, retention and termination policies;

Superannuation

- (h) regularly reviewing and providing advice to the Board in relation to the Company's superannuation arrangements;

Succession plans

Senior executives and executive Directors

- (i) reviewing succession plans of senior executives and executive Directors on a regular basis to maintain an appropriate balance of skills, experience and expertise in the management of the Company and providing advice to the Board accordingly;

Board

- (j) reviewing Board succession plans on a regular basis to maintain an appropriate balance of skills, experience and expertise on the Board and providing advice to the Board accordingly;

New Directors

- (k) developing a policy and procedures for the selection and appointment of Directors;
- (l) identifying individuals who may be qualified to become Directors, having regard to such factors as the Remuneration and Nomination Committee considers appropriate, including judgement, skill, diversity, experience with business and other organisations of a comparable size, the interplay of the candidate's experience with the experience of other Board members, the extent to which the candidate would be a desirable addition to the Board and any Board Committee, and the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council (**Guidelines**);
- (m) ensuring an effective induction program is available to new Directors to ensure they understand their responsibilities and the business activities of the Company;
- (n) ensuring that an effective orientation program for new Directors is in place, and regularly reviewing its effectiveness;

Board Committees

- (o) identifying Directors qualified to fill vacancies on Board Committees and making recommendations to the Board accordingly, having regard to such factors as the Remuneration and Nomination Committee considers appropriate, including the terms of reference of the particular Board Committee the Director's experience, the interplay of the Director's experience with the experience of other Board Committee members and the Guidelines;

Performance

Senior executives and executive Directors

- (p) developing and implementing a plan for identifying, assessing and enhancing competencies of senior executives and executive Directors;
- (q) ensuring that the performance of each senior executive and executive Director is evaluated at least annually;

Board

- (r) considering and articulating the time needed to fulfil the role of chairman and non-executive Director;
- (s) developing and implementing a plan for identifying, assessing and enhancing Director competencies;
- (t) regularly evaluating the performance of the Board and each Director on an annual basis including an assessment of whether each Director has devoted sufficient time to their duties;
- (u) ensuring the Board has access to continuing education to update and enhance their skills and knowledge;

Shareholder approval

- (v) considering those aspects of the Company's remuneration policies and packages, including equity-based incentives, which should be subject to shareholder approval and making recommendations to the Board accordingly;

Size and composition of the Board

- (w) regularly reviewing the size and composition of the Board and making recommendations to the Board with regard to any appropriate changes;
- (x) providing advice to the Board with respect to the necessary and desirable competencies of Directors;
- (y) making recommendations to the Board for the appointment and removal of Directors;
- (z) in a timely manner, making recommendations to the Board whether or not Directors, whose term of office is expiring, should be proposed for re-election at the Company's next annual general meeting.

7.2 The Remuneration and Nomination Committee shall have no executive powers with regard to its findings and recommendations.

8. Other

8.1 The Remuneration and Nomination Committee is authorised to engage, at the Company's expense, outside legal or other professional advice or assistance on any matters within its terms of reference.

8.2 The Remuneration and Nomination Committee is authorised to seek any information it requires from any officer or employee of the Company and such officers or employees shall be instructed by the Board to respond to such enquiries.

8.3 No member of the Remuneration and Nomination Committee may participate in any decision with respect to his or her position or remuneration.

8.4 The Remuneration and Nomination Committee may, in its discretion, delegate all or some of its responsibilities to a sub-committee.

Adopted by the Board of Directors on the day of **2010**.

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Peter Slaughter
Chairman of the Board of Directors