

Nomination and Remuneration Committee Charter

Bluechiip Limited ACN 104 795 922
(Company)

Version	Author	Reviewed by	Approved by	Date
1.0	Company Secretary	Board	Board	Pre 2011
2.0	Company Secretary	Board	Board	27 August 2021

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. The Committee discharges its responsibilities by making recommendations to the Board, but it does not have any executive powers to commit the Board or management to their implementation. The Committee is not responsible for supervising the performance of executives and is not involved in day-to-day operations, management functions or decision making

2 Objective

The objective of the Nomination and Remuneration Committee is to assist the board in ensuring 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 responsibilities of the Nomination and Remuneration Committee include:
 - (a) assist the Board to develop a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.
 - (b) review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chairman and Chief Executive Officer, having regard to the objective that the Board comprise directors with a broad range of skills, expertise and experience from a broad range of backgrounds, including gender.
 - (c) review and recommend to the Board the criteria for Board membership, including:
 - (i) the necessary and desirable competencies of Board members; and
 - (ii) the time expected to be devoted by non-executive directors in relation to the Company's affairs.
 - (d) review and recommend to the Board the composition and membership of the Board, including:
 - (i) making recommendations for the re-election of directors, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves; and
 - (ii) assisting the Board as required to identify individuals who are qualified to become Board members, in accordance with the policy outlined in section 4.

- (e) Assist the Board as required in relation to the performance evaluation of the Board, its committees and individual directors, and in developing and implementing plans for identifying, assessing and enhancing director competencies.
- (f) Review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time.
- (g) Review the Board Charter on a periodic basis, and recommend any amendments for Board consideration.
- (h) Conducting appropriate background checks on potential board appointees. These checks will include details of the person's character, experience, education, criminal record and bankruptcy history.
- (i) Ensure that an effective director induction process is in place and regularly review its effectiveness and provide appropriate professional development opportunities for directors.
- (j) Ensuring that Shareholders are aware of each directors skills, competencies and background when they are nominated for election and re-election. This will include the nominees other current employment positions that could influence the amount of time they have to devote to the company, if there are any potential conflicts of interest, and whether the board recommends their appointment.
- (k) On an annual basis, review the effectiveness of the Diversity Policy by:
 - (i) assessing the Company's progress towards the achievement of the measurable objectives and any strategies aimed at achieving the objectives; and
 - (ii) reporting to the Board recommending any changes to the measurable objectives, strategies or the way in which they are implemented.
- (l) In accordance with the Diversity Policy, on an annual basis, review the relative proportion of women and men on the Board, in senior management positions and in the workforce at all levels of the Group, and submit a report to the Board, which outlines the Committee's findings or, if applicable, provide the Board with the Company's most recent indicators as required by the *Workplace Gender Equality Act 2012 (Cth)*.
- (m) Determine on an annual basis, which directors are to be considered to be Independent Directors, taking into consideration the ASX's Corporate Governance Principles and make a recommendation to the board prior to disclosure to the market

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

4 Remuneration policies and practices

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

5 Remuneration - responsibilities

5.1 The responsibilities of the Nomination and Remuneration Committee include:

- (a) General
 - (i) The Committee is responsible for developing, reviewing and making recommendations to the Board on the Company's Remuneration Policy,

- (ii) Reviewing the ongoing effectiveness & relevance of the Remuneration Policy.
 - (iii) Overseeing the implementation of the Remuneration Policy.
 - (iv) Ensuring that employment practices for the Group are in line with legislative requirements.
 - (v) Determine which staff are defined as Key Management Personal for the purposes of the Corporations Act, ASX Listing Rules and AASB 124 Related Party Disclosures.
 - (vi) Approval of the Remuneration Report to be disclosed in the Annual Report to shareholders.
- (b) Executive Directors
- (i) Ensure the Company has a written agreement with each Executive Director setting out the terms of their appointment.
 - (ii) Consider and make recommendations to the Board on the specific remuneration components awarded to each Executive Director (including base pay, superannuation, incentive payments, equity awards, retirement rights, service contracts) having regard to the Remuneration Policy.
 - (iii) Approving the framework for the evaluation of Executive Director performance.
 - (iv) Overseeing the conduct of annual evaluations of the Executives performance and reporting outcomes to the board.
 - (v) Report any proposed changes to the remuneration structure or contract terms of executive's directors to the board.
 - (vi) Succession planning for the Chief Executive Officer (CEO) and any Executive Director.
 - (vii) Approval of all termination payments.
 - (viii) Approval of all cash or equity settled incentive payments.
- (c) Executive and Senior Management
- (i) Ensure the Company has a written agreement with each Executive or Senior Manager setting out the terms of their appointment.
 - (ii) Consider and make recommendations to the Board on the remuneration framework for all Executives and Senior Managers.
 - (iii) Approving the framework for the evaluation of Executive/Senior Manager performance.
 - (iv) Receiving a report on an annual basis from the CEO on the outcome of performance evaluations conducted on each Executive/Senior Manager.
 - (v) Report any proposed changes to the remuneration structure or contract terms of executives/senior managers to the board.
 - (vi) Review of succession planning programme for key executives in conjunction with the CEO.

- (vii) Approval of all termination payments.
- (viii) Approval of all allocation of incentive payments.
- (d) Non-Executive Directors
 - (i) Ensure the Company has a written agreement with each Non-Executive Director setting out the terms of their appointment.
 - (ii) Consider and make recommendations to the Board on the remuneration for all Non-Executive Directors.
 - (iii) Approving the framework for the evaluation of individual non-executive directors, committees and the board as a whole.
 - (iv) Overseeing the conduct of an annual performance evaluation for each non-executive director, all committees of the Board and the Board as whole and reporting all outcomes to the Board.
- (e) Incentive Schemes
 - (i) Review and report upon the design & implementation of all incentive schemes, including equity based plans.
 - (ii) Ensure that all equity-based incentive schemes are approved by shareholders, if required, under Corporations Act and ASX Listing Rule requirements.
 - (iii) Ensure that payment of equity-based remuneration is made in accordance with thresholds set in plans approved by shareholders.
 - (iv) Ensure all incentive plans are reviewed in the light of legislative, regulatory and market developments.
 - (v) For each incentive plan, recommend to the Board whether awards should be made under that plan.
 - (vi) Review and make recommendations about performance criteria for each incentive plan.
- (f) review any insurance premiums or indemnities for the benefit of directors.

6 Other responsibilities

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

7 Nomination and Remuneration Committee composition

- 7.1 The Nomination and Remuneration Committee should comprise:
- (a) at least 3 directors; and
 - (b) a majority of independent directors.
- 7.2 The Nomination and Remuneration Committee will appoint its chairperson. The chairperson of the Nomination and Remuneration Committee should be an independent director.
- 7.3 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.

- 7.4 A Nomination and Remuneration Committee member may appoint an alternate member and act by their alternate.

8 Nomination and Remuneration Committee meetings

- 8.1 The Nomination and Remuneration Committee will meet as often as it considers necessary.
- 8.2 Subject to clauses 8.3 and 8.4, the quorum for a Nomination and Remuneration Committee meeting is two Nomination and Remuneration Committee members.
- 8.3 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.
- 8.4 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.
- 8.5 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.
- 8.6 The Nomination and Remuneration Committee may invite anyone it considers appropriate to attend Nomination and Remuneration Committee meetings.
- 8.7 The Nomination and Remuneration Committee should keep minutes of its meetings and shall report these regularly to the Board.

9 Access to information and independent advice

- 9.1 The Nomination and Remuneration Committee may seek any information it considers necessary to fulfil its responsibilities.
- 9.2 The Nomination and Remuneration Committee has access to management to seek explanations and information from management, at the Company's cost.
- 9.3 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.

10 Review and changes to this charter

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

11 Approved and adopted

- 11.1 The Committee has been given authority to act by the Board. The Committee's terms of reference are to be reviewed every two years by the Committee to ensure they remain consistent with the Committee's authority, objectives and responsibilities. Any significant changes to the terms of reference are to be recommended by the Committee to the Board for approval.