



# MOLOPO ENERGY LIMITED

ABN 79 003 152 154

## REMUNERATION AND NOMINATION COMMITTEE CHARTER

Molopo Energy Limited is the holding company for the group, the principal activities of which are exploration, development and production of conventional and unconventional oil & gas resources and related infrastructure.

In this Code references to “the Company” include all subsidiaries and controlled entities of Molopo Energy Limited.

### Overview

1. The function of the Company’s Remuneration and Nomination Committee (“the Committee”) is to assist the Molopo Energy Limited Board of Directors (“the Board”) in fulfilling its corporate governance responsibilities in respect of:
  - the Company’s Remuneration policies;
  - Remuneration framework for directors;
  - Remuneration policies for senior executives including the Chief Executive Officer, Chief Operating Officer , Chief Financial Officer and Chief Commercial Officer;
  - Remuneration policies for other executive management;
  - Option and share based remuneration;
  - Superannuation arrangements;
  - the identification of suitable candidates for appointment to the Board;
  - the plan for succession of the Chairman of the Board and the Chief Executive Officer and periodic review of it;
  - the assessment of the performance of individual directors and the endorsement of retiring directors for re-election;
  - the provision of appropriate training and development opportunities for directors;
  - reviewing and ensuring compliance with the Company’s Diversity Policy; and
  - Other matters referred to the Committee by the Board.

2. In particular, the Committee is to undertake the functions of the Remuneration and Nomination Committee referred to in the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations".

### **Membership**

3. The Committee is to be appointed by the Board.
4. The Committee is to consist of:
  - only non-executive directors;
  - at least three members ("Members"); and
  - a majority of independent non-executive directors.
5. The Chairman of the Committee ("the Chairman") is to be an independent non-executive director and is to be appointed by the Board.

### **Meetings**

6. The Committee shall meet not less than twice each financial year ("Meetings").
7. The Committee is to meet as requested by the Chairman.

### **Attendance at Meetings**

8. Directors of the Company, other than the members of the Committee, shall not normally attend Meetings. However, non-executive directors may request the right to attend and any director, manager or third party may be invited by the Committee to attend Meetings.
9. The Company Secretary of the Company ("the Company Secretary") will act as secretary of the Committee and is to attend all Meetings. When the Committee is discussing matters in relation to the remuneration of the Company Secretary, the Chairman may request the Company Secretary to leave the meeting.
10. The Company Secretary will ensure that the agenda is circulated with sufficient notice prior to each Meeting. The agenda should be accompanied by appropriate supporting documents prepared by management.

### **Reporting Procedures**

11. The Company Secretary will include the minutes of the Committee Meetings in the Board papers of the next Board meeting. Matters arising from the Committee's activities will be periodically included in the agenda of Board meetings.
12. The Company's annual report to shareholders should include, as part of its Statement on Corporate Governance, a statement describing the

responsibilities and activities of the Committee.

**Authority and Access to Information and Independent Advice**

13. The Committee is authorised by the Board to investigate any activity within its scope of responsibilities and has the authority to seek any information it requires from any employee or officer of the Company in order to carry out its duties. All employees and officers must comply with such requests by the Committee.
14. Except in unusual circumstances, the Chief Executive Officer will be advised in advance by the Committee of its need to seek information from any employee.
15. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at any of its meetings if it considers this necessary to carry out its duties.
16. The Committee has the authority to review, on behalf of the Company, remuneration matters arising in the Company.

**Remuneration Policies for Non-Executive Directors**

17. The responsibilities of the Committee shall include reviewing and recommending for Board approval the remuneration policy for the Company's non-executive directors.

**Remuneration Policies for Executive Directors and the Chief Executive Officer and his or her Direct Reports**

18. In assisting the Board, the Committee will review and make recommendations to the Board on:
  - a. short and long-term remuneration and key conditions for executive directors and the Chief Executive Officer (including performance targets);
  - b. superannuation arrangements for executive directors and the Chief Executive Officer;
  - c. any termination payments to be made to executive directors and the Chief Executive Officer (which are to be agreed in advance and include detailed provisions in case of early termination);
  - d. appropriate grants of entitlements under the Company's Employee Incentive Scheme (or any alternate or replacement plan) for executive directors and the Chief Executive Officer. Where applicable, these are to be placed before shareholders for approval; and

- e. the development of any equity-based plan to apply to executive directors and the Chief Executive Officer.
19. The Committee will review recommendations from the Chief Executive Officer on the following matters, in respect of each member of the Company's executive management who directly reports to the Chief Executive Officer and whose salary is in excess of \$200,000 per annum (including superannuation):
- a. short and long-term remuneration and key conditions (including performance targets);
  - b. superannuation arrangements;
  - c. any termination payments (which are to be agreed in advance and include detailed provisions in case of early termination);
  - d. appropriate grants of entitlements under the Company's Employee Incentive Scheme (or any alternate or replacement plan). Where applicable, these are to be placed before shareholders for approval; and
  - e. an equity-based payment plan.
20. The Committee will make recommendations to the Board in respect of the matters reviewed by it in relation to each member of the Company's executive management who directly report to the Chief Executive Officer and whose salary is in excess of \$200,000 per annum.
21. In making its recommendations, the Committee should ensure that remuneration policies:
- a. motivate directors, the Chief Executive Officer, and employees to pursue the long-term growth and success of the Company;
  - b. demonstrate a clear relationship between performance and remuneration;
  - c. involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives appropriate to the Company's circumstances and goals; and
  - d. are made on reasonable basis.

**Identification of suitable candidates for appointment to the Board**

22. The Committee shall periodically assess the skills required to competently discharge the Board's duties, having regard to the strategic direction of the

Group and its diversity, and report the outcome of that assessment to the Board.

23. The Committee shall, as and when it considers appropriate, but in any event when a non-executive director retires, assess the collective skills of the non-executive directors represented on the Board and determine whether the Board, as a whole, has the diversity and skills required to competently discharge its duties (as those skills are identified in accordance with paragraph 22).
24. Having regard to the skills required and the skills represented on the Board, the Committee shall implement a process for identification of suitable candidates for appointment to the Board.
25. The Committee shall make recommendations to the Board on candidates it considers appropriate for appointment.

#### **Plan for Succession of the Chairman of the Board and CEO**

26. Although the Board is responsible for the succession process of the Chairman of the Board, the Committee may support the Board in its decision making by undertaking tasks or activities at the request of the Board. The Committee will have no decision making role in this regard.
27. The Committee will oversee and periodically evaluate the succession plan for the Chief Executive Officer and will make recommendations to the Board in relation to the plan.

#### **Assessment of Performance of Individual Directors and the Endorsement of Retiring Directors Seeking Election**

28. The Committee shall inform the Board of the names of non-executive directors who are retiring in accordance with Molopo's Constitution.
29. The Committee will make recommendations to the Board as to whether or not the Board should support the re-nomination of a director retiring in accordance with the provisions of Molopo's Constitution.
30. In making recommendations in accordance with paragraph 29, the Committee will undertake a process of review of the retiring non-executive director's performance during the period in which the non-executive director has been a member of the Board.
31. A member of the Committee shall not participate in the review of their own performance.

#### **Provision of Appropriate Training and Development Opportunities for Directors**

32. The Committee shall oversee, review and make recommendations to the Board

in relation to training and development for non-executive directors, to ensure that directors have access to appropriate training and development opportunities which support the work of directors and the Board.

**Annual General Meetings**

33. The Chairman of the Committee, or in his or her absence, another member of the Committee, should attend the Company's Annual General Meeting to respond to questions concerning remuneration and nomination of directors and executives.

**Code of Conduct**

34. The Committee is to review the Company's Code of Conduct at least once per year.

**Diversity Policy**

35. To determine whether it is functioning effectively, once each year the Committee shall:
  - a) measure and evaluate its diversity position against its targets; and
  - b) review the Diversity Policy and the targets set pursuant to it.

**Other Matters for Consideration**

36. The Committee will consider any other matters referred to the Committee by the Board.

**Committee Performance**

37. To determine whether it is functioning effectively, once each year the Committee shall:
  - a. review this Charter; and
  - b. undertake an evaluation of its performance.