

Remunerations,  
Nominations &  
Disciplinary  
Committee Charter  
**Regional Express Holdings Limited**

# Regional Express Holdings Limited

## Remunerations, Nominations & Disciplinary Committee Charter

### 1. Objectives

The Remunerations, Nominations & Disciplinary Committee has been established by the Board of Regional Express Holdings Limited (*Company*) and applies to the Company and its subsidiaries (*Group*) to support and advise the Board in fulfilling its responsibilities to shareholders, employees and other stakeholders of the Company by endeavouring to ensure that:

- (a) the Directors and senior management of the Group are remunerated fairly and appropriately;
- (b) the Group's remuneration policies and outcomes strike an appropriate balance between the interests of the Company's shareholders, and rewarding and motivating the Group's executives and employees in order to secure the long term benefits of their energy and loyalty;
- (c) its decisions are in accordance with the relevant human resources policies and practices and are consistent with and complementary to the strategic direction and objectives of the Company as determined by the Board
- (d) it gives appropriate advice to the Board on the composition of the Board, its Committees and the Company's key managers;
- (e) it reviews the performance of the Board, the Chairman of the Board (*Chairman*), the executive and non-executive Directors, and other individual members of the Board; and
- (f) proper succession plans are in place for consideration by the Board.

### 2. Remuneration Responsibilities

In relation to its remuneration responsibility, the Committee is required to review and make recommendations to the Board about:

- (a) the general remuneration strategy for the Group, so that it motivates the Group's executives and employees to pursue the long term growth and success of the Group and establishes a fair and transparent relationship between individual performance and remuneration while having regard to the commercial environment;
- (b) the terms of remuneration for executive Directors and other senior management of the Group from time to time including the criteria for assessing performance;
- (c) the criteria to be used for assessing the Key Managers bonus scheme, the amount allocated to the scheme and the distribution of individual bonus's having regard for each manager's performance;
- (d) remuneration reviews for non-executive Directors;

- (e) changes in remuneration policy and practices, including superannuation and other benefits;
- (f) the criteria and amount allocated to the company profit share scheme,
- (g) the criteria to be used for assessing individual employee profit share amounts and the distribution of individual employee profit share amounts, taking into account disciplinary matters.
- (g) employee equity plans and allocations for individual employees under those plans, taking into account disciplinary matters; and
- (h) the disclosure of remuneration requirements in the Company's public materials including ASX filings and the annual report.

### 3. Nomination Responsibilities

In relation to its nomination function, the Committee is required to:

- (a) critically review the performance and effectiveness of the Board and its individual members;
- (b) establish criteria for Board membership;
- (c) review the size and composition of the Board;
- (d) periodically assess the skills required to discharge the Board's duties, having regard to the strategic direction of the Company;
- (e) propose candidates for directorships for consideration by the Board having regard to the desired composition as stated in the Board Charter;
- (f) inform the Board of the names of Directors who are retiring in accordance with the provisions of the Constitution of the Company and make recommendations to the Board as to whether the Board should support the re-nomination of that retiring Director. In order to make these recommendations, the Committee will review the retiring Director's performance during the period in which the Director has been a member of the Board;
- (g) identify any specific responsibilities of individual Board members, including the Chairman;
- (h) review succession planning for the executive Directors and other senior management (if any) of the Company and provide advice to the Board on progress; and
- (i) review the membership and performance of other Board Committees and make recommendations to the Board.

### 4. Specific remuneration responsibilities

In order to fulfil its remuneration responsibilities to the Board, the Committee will:

- (a) Executive Director and senior management remuneration**

- review and make recommendations to the Board regarding executive and senior management remuneration including, but not limited to, base pay, incentive payments, equity awards and service contracts;
  - consider whether to seek shareholder approval of the executive remuneration; and
- oversee the implementation of executive and senior management remuneration within the Group.

**(b) Non-executive Director remuneration**

- review and establish the level of remuneration, including superannuation, for non-executive Directors;
- where necessary recommend that the Board seek an increase in the amount of remuneration for non-executive Directors approved by shareholders; and
- the Committee may request management or external consultants to provide necessary information upon which the Board may make its determination.

**(c) Profit Share Bonus**

- make recommendations to the Board at the start of each financial year regarding the criteria to be used to assess the size of the Group's profit share bonus for that year; and
- at the conclusion of each financial year, review and make recommendations to the Board regarding the size and allocation of the profit share bonus for the year having regard to the criteria and policies approved by the Board.

**(d) Employee share, option and other equity based plans**

- review and make recommendations to the Board regarding the design of all equity based plans;
- keep all plans under review in the light of legislative, regulatory and market developments;
- for each such plan, determine each year whether awards will be made under that plan;
- review and make recommendations to the Board regarding proposed aggregate and individual awards under each plan;
- review and make recommendations to the Board regarding the administration and allocation of individual interests in awards which are held in a trust or similar structure; and
- review, make recommendations to the Board and keep under review performance hurdles for each equity based plan.

**(e) Approvals**

Before implementing any of the following proposals the Board will request the Committee to review the proposal and make a recommendation to the Board in relation to it:

- any change to the remuneration or contract terms of the executive Directors and any senior management of the Group;
- the size of the annual bonus pool, and the allocation of bonuses to the executive Directors and Key Managers of the Group;

- the design of any new equity or share plan or executive incentive or option plan, or the amendment of any existing equity or share plan or executive incentive or option plan;
- the total level of award proposed from equity or share plans or executive incentive or option plans; and
- any termination payment to the executive Directors and any other senior management of the Group. A termination payment to any other departing executive must be reported to the Committee at its next meeting.

## 6. Composition

- (a) The Remuneration & Nomination Committee will comprise a minimum of two and maximum of three Directors, including, if practicable, a majority of independent non-executive Directors.
- (b) The Board will nominate the chairman of the Remuneration & Nomination Committee (*Committee Chairman*) from time to time who must be an independent non-executive Director.
- (c) The Group Company Secretary or their nominee will act as Secretary to the Committee.

## 7. Procedural requirements

- (a) The Committee will meet as required but not less than once a year.
- (b) Any Committee member or the Group Executive Chairman may at any time call a meeting of the Committee.
- (b) A quorum of the Remuneration & Nomination Committee will comprise two members, one of whom will be the Committee Chairman or, in the absence of the Committee Chairman, another non-executive Director.
- (c) If the Committee Chairman is absent from a meeting and no acting Chairman has been appointed, the members present may choose one of them to act as Chairman for that meeting.
- (d) Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by electronic circular or written resolution.
- (e) Each member of the Remuneration & Nomination Committee will have one vote.
- (f) The Committee Chairman will not have a casting vote. If there is a tied vote, the motion will lapse.
- (g) A member must not be present for discussions at a Committee meeting on, or vote on a matter regarding, his or her own election, re-election, removal, remuneration/performance or a specific remuneration/performance policy that affects him or her. However, a member who is a non-executive Director may be present and vote in relation to the remuneration of non-executive Directors. Where this results in less than two directors being able to participate in the review the matter will be referred to the Board for its consideration.
- (h) The Remuneration & Nomination Committee may seek such advice from any external parties or professional advice as it may consider necessary or desirable to fulfil its objectives.

(i) Following each meeting the Committee Chairman will report to the Board on any matter that should be brought to the Board's attention, and on any recommendation of the Committee that requires Board approval or action.

(j) Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to the members of the Board.

(k) The Company Secretary will provide such assistance as may be required by the Committee Chairman in relation to preparation of the agenda, minutes or papers for the Remuneration & Nomination Committee.

## **8. Revisions of this Charter**

This Charter of the Remuneration & Nomination Committee must be approved by a majority of the Board of the Company.

The Committee is responsible for review of the effectiveness of this Charter and the operations of the Remuneration & Nomination Committee and to make recommendations to the Board of any amendments.