



CENTRAL PETROLEUM LIMITED REMUNERATION AND NOMINATIONS COMMITTEE CHARTER

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1. APPLICABILITY

This Charter applies to all members of the Remuneration and Nominations Committee (“the Committee”) of Central Petroleum Limited (“Central”).

2. ROLE

The role of the Committee is to assist the Board in fulfilling its corporate governance responsibilities by reviewing and making appropriate recommendations with respect to:

1. Remuneration packages of Executive Directors, Non-Executive Directors and Senior Executives;
2. Employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed;
3. Director nominees for election to the Board and to identify and recommended candidates to fill casual vacancies.

3. RESPONSIBILITIES

3.1 Size and Composition of the Board

To ensure that the Board has the appropriate blend of skills and diversity, the Committee shall:

- a) Regularly review the size and composition of the Board taking into account director independence, outside directorships and time commitments and make recommendations to the Board on any appropriate changes.
- b) Develop a board skills matrix to assist in identifying any gaps in the collective skills of the Board for professional development and succession planning purposes.
- c) Make recommendations on the appointment and removal of Directors.

- d) Make recommendations on whether any Directors whose term of office is due to expire should be nominated for re-election.
- e) Consider succession planning for Senior Executives and the Board as a whole.

3.2 Selection Process of New Directors

- a) The Committee shall develop criteria for the selection of the candidates to the Board in the context of the Board's existing composition and structure having regard to an appropriate balance of skills, knowledge, experience, independence and diversity.
- b) The Committee is empowered to engage external consultants in its search for a new Director.
- c) Appropriate checks will be undertaken on any potential appointee including character, experience, education, criminal record, bankruptcy, history and or material political affiliations. Such checks will also apply to all subsidiary Board appointments.
- d) The initial appointment of a new Director is made by the Board. The Director will then be required to stand for re-election at Central's next shareholder meeting.

3.3 Performance Appraisal and Competency

The Committee shall:

- a) Establish evaluation methods for rating the performance of Board members on an annual basis.
- b) Implement ways of enhancing the competency levels of Directors.
- c) Consider and articulate the time required by Board members in discharging their duties efficiently.
- d) Undertake continual assessment as to whether Directors have devoted sufficient time in fulfilling their duties.
- e) Provide new Directors with an induction into Central.
- f) Provide all Directors with access to ongoing education relevant to their position in Central.

3.4 Executive Remuneration and Incentive Policies

The Committee is to make recommendations to the Board with respect to appropriate remuneration and incentive policies for Executive Directors and Senior Executives which:

- a) Motivate Executive Directors and Senior Executives to pursue long-term growth and the success of Central Petroleum within an appropriate control framework.
- b) Demonstrate a clear correlation between key performance and remuneration; and
- c) Align the interests of key leadership with the long-term interests of Central's shareholders.

3.5 Non-Executive Directors

The Committee is to ensure that:

- a) Fees paid to Non-Executive Directors are within the aggregate amount approved by the shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at Central's Annual General Meeting.
- b) Non-Executive Directors are remunerated by way of fees (in the form of cash and/or superannuation benefits); and
- c) Non-Executive Directors are not provided with retirement benefits other than statutory superannuation entitlements.

To the extent that Central adopts a different remuneration structure for its Non-Executive Directors; the Committee shall document its reasons for the purpose of disclosure to stakeholders.

3.6 Executive Remuneration Packages

The Committee is to ensure that:

- a) Executive remuneration packages involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to Central's circumstances and objectives;
- b) A proportion of executives remuneration is structured in a manner designed to link reward to corporate and individual performances; and
- c) Recommendations are made to the Board with respect to the quantum of bonuses to be paid to executives.

3.7 Incentive Plans and Benefit Programmes

The Committee is to:

- a) Review and make recommendations concerning short-term and long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the Committee will act on behalf of the Board to administer equity-based and employee benefit plans, including making and authorising grants, in accordance with the terms of those plans;
- b) Ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- c) Continually review, and if necessary improve, any existing benefit programmes established for employees.

4. COMPOSITION

The Committee will be appointed by the Board and shall be composed of at least three members, all of which are independent.

The Committee shall be chaired by an Independent Director.

5. ATTENDANCE

At the discretion of the Chair, having regard to the nature of the agenda, relevant members of management may be invited to attend meetings.

6. MEETINGS

The Committee will meet at least twice a year, with further meetings as required.

Minutes of all meeting of the Committee are to be kept and the minutes and a report of actions taken or recommended to be given to each subsequent meeting of the full Board.

The committee meeting will be governed by the same rules, as set out in Central's constitution, as they apply to the meetings of the Board.

7. AUTHORITY

The Committee is authorised:

- a) To seek any information it requires in order to perform its duties, from any employee of Central ; and
- b) To obtain, at Central's expense, external legal or other professional advice on any matter within its charter.

8. REVIEW

The Charter will be reviewed regularly to ensure it meets best practice standards, complies with all governance principles of those stock exchanges on which it is listed and meets the requirements of Central and the Board. In addition, the Committee will undertake an annual performance evaluation the reviews the performance of the Committee against this Charter.

Adopted by the Board on 9 December 2015