



NOMINATION AND REMUNERATION COMMITTEE CHARTER

Feb 2015

1. GENERAL PURPOSE

The Nomination and Remuneration Committee is established by the board of directors (**Board**) of OPUS Group Limited (ABN 48 006 162 876) (**Company**) to review, evaluate and make recommendations to the Board in relation to the selection and appointment practices of the Company.

2. NOMINATION AND REMUNERATION COMMITTEE STRUCTURE

2.1 Membership

- The Nomination and Remuneration Committee will consist of a minimum of two members.

2.2 Chairman

The Board shall appoint only one member as Nomination and Remuneration Committee Chairman.

2.3 Quorum

The quorum for any Nomination and Remuneration Committee meeting shall be two members and may include the Chairman.

2.4 Meetings

- Any director may attend a meeting of the Nomination and Remuneration Committee for the purposes of discussion but is not entitled to vote.
- The Nomination and Remuneration Committee will meet at least once per annum and more often if deemed necessary.

2.5 Appointment of Committee Secretary

The Nomination and Remuneration Committee Secretary will be the Company Secretary.

2.6 Right to Obtain Information

The Nomination and Remuneration Committee is entitled to consult with expert advisers at the expense of the Company to seek expert advice where it considers it necessary to carry out its duties.

2.7 Reporting to the Board

Recommendations from the Nomination and Remuneration Committee to the Board will be included in the Board Papers under items for decision by the Board and be accompanied by information supporting the recommendation to enable directors to make a considered decision. In addition the Chairman of the Nomination and Remuneration Committee will keep the board informed on the deliberations of the Committee.

3. ROLE AND RESPONSIBILITIES

3.1 Nomination Processes

The Nomination and Remuneration Committee is established by the Board of directors to review, evaluate and make recommendations to the Board in relation to:

- a process for determining the necessary and desirable competencies of Board members and the assessment of those competencies;

- the appointment of suitably qualified candidates to the Board in accordance with board policy;
- the appointment of the Chief Executive Officer;
- a process for the review of the performance of the Board, Board Committees and individual directors;
- a process for the evaluation of the Chief Executive Officer;
- the time required to fulfil the obligations of a non-executive director and whether directors are able to meet these expectations;
- the evaluation of the Board; Board Committee and individual directors; and
- Board succession plans.

3.2 **Remuneration Processes**

The Nomination and Remuneration Committee is established by the Board of directors to annually review, evaluate and make recommendations to the Board in relation to:

- Non-executive director remuneration.
- Staff incentive plans proposed by the Chief Executive Officer, including bonus, share and option plans, and the basis of their application amongst differing levels of staff.
- Salary, benefits and total remuneration packages of the Managing Director and senior staff reporting to the Managing Director.
- Employee succession planning to ensure the continuity and quality of management.

The Nomination and Remuneration Committee is required from time to time to review, evaluate and if appropriate *approve* the following:

- Managing Director's recommendation for overall annual salary movements for business unit salary reviews.
- Salary, benefits and total remuneration package of individual executives as recommended by the Managing Director.
- Substantial changes to the principles of the Company's superannuation arrangements recommended by the Chief Executive Officer.

The Chairman shall ensure that the Board is properly informed on any matters, which are approved by the Committee.

The Nomination and Remuneration Committee is required to review, evaluate and make recommendations as required from time to time to the Board in relation to:

- Policies for remuneration programs appropriate to the Company.
- The Company's recruitment, retention and termination policies and procedures for executive/senior management.
- Any report on executive remuneration, which is required pursuant to any Listing Rule or legislative requirement or which is proposed for inclusion in the annual report.

3.3 Diversity Policy

The Nomination and Remuneration Committee is required to:

- Review, note and monitor the effectiveness of the Diversity Policy from time to time;
- Review the measurable objectives for achieving diversity from time to time; and
- Review and report to the Board annually on both the measurable objectives for achieving diversity and the Company's progress in achieving them.

4. BOARD PROCEDURES FOR THE APPOINTMENT OF DIRECTORS

4.1 Processes for Appointment of Directors

(a) Selection Criteria

The selection criteria for the appointment and re-appointment of directors will normally be based on an analysis of the composition of the existing Board, its skill and experience, its independence requirements and its ambitions for the future.

(b) Process for Director Appointment

- Consider the need to engage the services of an external consultant to broaden the selection of potential candidates for Board membership;
- Determine whether candidates comply with the Company's definition of independence;
- If required, arrange for the candidate to undertake due diligence of the company;
- Provide to the candidate a summary of Directors' and Officers' Insurance arrangements;
- Ensure that a letter of appointment in accordance with the ASX Corporate Governance Principles and Recommendations is negotiated; and
- Enter into a deed with the director which sets out certain rights and obligations including the director's disclosure of all interests in company securities.

(c) Process for Assessment of Independent Directors

Each director will prior to their appointment provide to the Company sufficient information to allow the Board to adequately assess the independence of the director. Directors should ensure that updated information is provided to the Board if the circumstances relating to the assessment of their independent status changes.

5. BOARD APPROVED REMUNERATION POLICIES

The Company's remuneration policy and structure is equitable, competitive and consistent so as to assure the recruitment and retention of personnel of the capability, competence and experience necessary for the successful achievement of the Company's strategies and goals.

Remuneration is accordingly set to the following principles:

- No individual may be involved directly in determining his/her remuneration. External advice will be sought, where appropriate, during this process.
- Remuneration disclosure to shareholders includes all benefits paid including:
 - Base salary and incentives
 - Superannuation payments
 - Other benefits such as motor vehicles, loans etc.
- Incentive payments for Executives are related to company performance, individual performance against goals, market conditions and independent expert advice where appropriate and may include options over shares in the Company granted at the discretion of directors.
- Remuneration for non-executive directors is determined by the Board within a maximum amount determined by shareholders from time to time at the Annual General Meeting. Non-executive directors are not entitled to participate in any incentive scheme.

6. PERFORMANCE EVALUATION

The Nomination and Remuneration Committee will undertake a regular self-assessment process annually which includes:

- comparing of the Nomination Committee's practices with its Charter requirements;
- identifying any enhancements to the Nomination Committee Charter; and
- implementing practices designed to enhance the Nomination Committee's effectiveness.