

## REMUNERATION AND NOMINATION COMMITTEE CHARTER

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### 1. Purpose of Charter

The Board has established a Remuneration and Nomination Committee (**Committee**), which reports to the Board. The purpose of this Charter is to set out the roles and responsibilities as well as the structure, composition and membership of this Committee.

### 2. Role and responsibilities of the Remuneration and Nomination Committee

The role of the Committee is to assist the Board in fulfilling its corporate governance responsibilities with regard to:

- The Company's remuneration, recruitment, retention and termination policies for senior management including the CEO, Finance Director and other senior executives
- Developing criteria for Board membership and identifying specific individuals for nomination
- Remuneration policies for Non-Executive Directors
- Executive equity grants
- Reviewing and making recommendations to the Board on board succession planning generally
- Reviewing and making recommendations to the Board on the process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board

In particular, the Committee is to undertake the functions of the remuneration and nomination committees set out in the ASX Corporate Governance Principles.

### 3. Membership

The Committee is appointed by the Board in accordance with the Company's Constitution. The Board shall appoint the Committee from time to time and review the composition of Committee annually

The following rules apply to the membership of the Committee:

- The Committee shall consist of at least 3 Directors, a majority of whom are independent Directors. However, if RCG is included in the S&P/ASX 300 Index at the beginning of its financial year, the Committee must comprise only non-executive Directors for the entire duration of that financial year. Where there are more than 3 non-executive Directors on the Board, the Committee will consist solely of non-executive Directors, with a majority being independent.
- The Board will appoint one of the members of the Committee as chairman, who must be an independent Director.

### 4. Meetings

The Committee will meet at least once a year. In addition, the Committee shall meet as early as practicable prior to the expiration of the term of office of a Director to consider suitably skilled and experienced individuals for nomination as Directors of the Company. Additional meetings may be requested through the Committee Chairman by any member.

A quorum of the Committee will comprise any two members.

Recommendations of the Committee are to be referred to the Board for approval.

A member of the Committee is not entitled to be present at a meeting of the Committee when his or her own remuneration package is being discussed.

Each member shall have one vote and the Chair of the Committee will not have a second or casting vote.

Minutes of Committee meetings will be prepared by the Company Secretary, approved by the Chair of the Committee in draft and circulated to all members.

It is the responsibility of the Chair of the Committee to schedule all meetings of the Committee and, to provide the Committee with a written agenda.

The Committee may invite any member of senior management or other individuals to attend meetings of the Committee, as they consider appropriate.

#### **5. Access to Information and Independent Advice**

The Committee has the authority to seek any information it requires from any employee of the Company and all employees must comply with any such reasonable requests.

The Committee has the right to obtain information and interview management.

The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding his/her own remuneration.

The Committee may seek such independent legal, financial or other advice (including from external consultants or specialists) as it considers necessary or appropriate.

#### **6. Duties and Responsibilities**

##### *Remuneration Policies for Non-Executive Directors*

In assisting the Board, the Committee will review and make recommendations to the Board on remuneration policies for Non-Executive Directors (including fees, travel and other benefits). In making its recommendations, the Committee will take into account the following guidelines:

- Non-Executive Director Remuneration will be set with reference to prevailing market rates for similar positions
- Non-Executive Directors should be remunerated by way of fees – in the form of cash, non-cash benefits, superannuation contributions or equity
- Non-Executive Directors should not participate in schemes designed for remuneration of executives
- Non-Executive Directors should not be provided with retirement benefits other than superannuation

##### *Remuneration Policy for the CEO, CFO and Executive Directors*

RCG's remuneration policy is designed to attract, motivate and retain employees, including senior management, and ensure that the interests of the employees are aligned with those of the shareholders. In discharging its duties, the Committee will review and make recommendations to the Board on the remuneration of the CEO, CFO and Executive Directors, including:

- Short and long-term remuneration

- Any termination payments
- Appropriate grants of securities under the Employee Share Scheme (or any alternate or replacement plan)

In making its recommendations, the Committee will ensure that:

- Remuneration is set with reference to prevailing market rates for similar positions, adjusted to account for experience, productivity and ability
- Remuneration packages are designed to motivate Executive Directors to pursue the long-term growth and success of the Company
- Is a clear relationship between performance and remuneration

#### *Performance measurement for the CEO, CFO and Executive Directors*

The Committee is responsible for setting the performance criteria for Executive Directors, communicating those criteria to the Executives and for assessing their performance against those criteria. In setting and measuring Executive performance, the Committee will:

- Ensure that the interests of the employee and the shareholders are aligned
- Ensure that performance hurdles, targets and KPI's are set so as to motivate the executives to achieve measurable outcomes that progress the long term objectives of the Company
- Conduct a performance review with each Executive at least once per annum during the course of which at least the following topics will be covered:
  - The Executive's performance relative to the KPI's set at the previous review
  - Any development objectives for the Executive flowing out of the review
  - Revised or updated KPI's for the next review period
  - The amount of, and basis for, any increase in base remuneration
  - The amount of, and basis for, any incentive or bonus awards

#### *Human Resources Policies*

The Committee will review human resource policies and practices for the Group.

#### *Nomination duties*

The Committee is expected to develop criteria for Board membership and to identify suitably skilled, qualified and experienced individuals for nomination.

The specific matters the Committee may consider include:

- the appropriate size, composition and skills of the Board
- developing criteria for Board membership and assessing the skills required on the Board
- reviewing the skills represented on the Board and determining whether those skills meet the required skills as identified
- review the time required from a non-executive Director and whether Directors are meeting that requirement
- induction and continuing professional development programs for Directors to develop and maintain the skills and knowledge needed to perform their role effectively
- revising the membership of the Board
- making recommendations to the Board on candidates it considers appropriate for appointment and reappointment
- reviewing the retiring non-executive Director's performance and making recommendations to the Board as to whether the Board should support the nomination of a retiring non-executive Director
- current industry codes and best practice

The Committee will prepare (and update as and when required) 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.

**7. Reporting**

The Chairperson of the Committee, or delegate, will report to the Board following each meeting.

**8. Committee Performance**

To determine whether it is functioning effectively, once each year the Committee will:

- undertake an evaluation of its performance and effectiveness;
- Review its membership and this charter; and
- make recommendations to the Board.

The Committee will consider and review the report of the Committee's membership, authority, responsibilities and discharge of those responsibilities for inclusion in Company's annual report and oversee the preparation of any report or other disclosures to be included in the annual report or other communications to shareholders relating to the appointment and remuneration of directors and senior management.