

REMUNERATION AND NOMINATION COMMITTEE CHARTER

1. ROLE

- 1.1 The role of the Capral Limited (**Capral**) Remuneration and Nomination Committee is to assist the Capral Board in fulfilling its corporate governance responsibilities in regard to:
- i. remuneration policies for Directors and Executive Management;
 - ii. equity participation;
 - iii. Human Resources Policies;
 - iv. Board appointments and performance;
 - v. Board succession planning; and
 - vi. other matters referred to the Committee by the Board.
- 1.2 In particular, the Committee is to undertake the functions of the Remuneration Committee and Nomination Committee referred to in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

2. MEMBERSHIP

- 2.1 The Committee will consist of:
- i. only Non-Executive Directors;
 - ii. at least 3 Members; and
 - iii. a majority of independent Non-Executive Directors.
- 2.2 All Directors may attend Committee Meetings.
- 2.3 The Chairman of the Committee is to be an independent Non-Executive Director and is to be appointed by the Board.
- 2.4 Committee Members and the Chairman of the Committee are appointed by the Capral Board. Committee Members may appoint Alternate Directors to act as an Alternate Member.

3. RESPONSIBILITIES

3.1 Remuneration related matters

Remuneration Policies for Directors

- i. In assisting the Board, the Committee will review and make recommendations to the Board on:
 - a. remuneration policies for Non-Executive Directors (including fees and other benefits);
 - b. short and long-term remuneration, superannuation arrangements and any termination payments to be made for the Executive Directors; and
 - c. the development of any equity-based plan to apply to the Executive Directors.
- ii. In making its recommendations in respect of the Executive Directors, the Committee should ensure that the remuneration policies:
 - a. motivate them to pursue the long-term growth and success of Capral;
 - b. demonstrate a clear relationship between performance and remuneration; and
 - c. involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives to Capral's circumstances and goals.

Remuneration Policies for Executive Management

- i. The Committee will review and approve recommendations from the Executive Director(s) on short and long-term remuneration (including superannuation) for senior employees.
- ii. In making its decisions, the Committee should ensure that the remuneration policies:
 - a. motivate the Executive Management to pursue the long-term growth and success of Capral;
 - b. demonstrate a clear relationship between performance and remuneration; and
 - c. involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives to Capral circumstances and goals.

Equity Participation

The Committee will review and make recommendations to the Board on the appropriate grant of any equity securities.

Human Resource Policies

The Committee will review human resource policies and practices for Capral employees.

3.2 Nomination related matters

The responsibilities of the Committee with regard to Nomination related matters are:

- i. consider the appointment and retirement of Directors;
- ii. assess the necessary and desirable competencies of Directors;
- iii. oversee the Directors' induction program;
- iv. ensure the Directors have the appropriate mix of competencies to enable the Board to discharge its responsibilities effectively;
- v. ensure that Directors have access to appropriate continuing education to update and enhance their skills and knowledge;
- vi. develop Board succession plans to ensure an appropriate balance of skills, experience and expertise is maintained;
- vii. review the time commitment required from Non-Executive Directors and whether they are meeting that commitment;
- viii. evaluation of the Board's performance.

3.3 Other

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

4. MEETINGS

- 4.1 The Committee should meet as often as the Chair of the Committee determines necessary. At a minimum, the Committee should meet at least twice per year. Committee Meetings may however be requested by any Member.
- 4.2 A quorum for a Committee Meeting is at least 2 Members.
- 4.3 The Company Secretary of Capral will be the secretary to the Committee and will be responsible for maintaining minutes of the Committee Meetings.

5. REPORTING

- 5.1 The Committee is to report on its Meetings to the Board (which may be either verbally or in writing).
- 5.2 All recommendations of the Committee are to be referred to the Board for approval.

6. ACCESS TO INFORMATION AND ADVICE

- 6.1 The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding his/her remuneration.
- 6.2 The Committee has the authority to seek any information it requires from any Capral employee and all employees must comply with such requests.
- 6.3 The Committee may take independent legal, financial, remuneration or other professional advice or assistance, at the reasonable expense of Capral, in carrying out its functions. Unless a conflict exists or to do so would be inconsistent with the Committee's duties, the Committee will request such information, advice or assistance via the Chairman.

7. COMMITTEE PERFORMANCE

To determine whether it is functioning effectively, the Committee will review this Charter annually and undertake an evaluation of its performance at intervals considered appropriate by the Chairman.