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## NOMINATION COMMITTEE CHARTER

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### **1. INTRODUCTION**

#### **1.1 Purpose of the Nomination Committee**

The Nomination Committee has been established by resolution of the Board of Karoon Gas Australia Ltd (**Karooon or Company**). The purpose of the Nomination Committee is to assist the Board in identifying and selecting appropriate individuals for nomination as members of the Board.

### **2. ROLE AND RESPONSIBILITIES**

#### **2.1 Powers and Functions**

The Nomination Committee makes recommendations for Board review and is responsible for the following:

- (a) developing processes to identify and recommend to the Board nominees for membership of the Board and the role of Managing Director;
- (b) establishing a Board Skills Matrix to assist in identifying and assessing the necessary and desirable competencies and characteristics for board membership and regularly assessing the extent to which those competencies and characteristics are represented on the Board;
- (c) reviewing the size of the Board;
- (d) developing and implementing processes to evaluate the performance of the Board, its committees and directors, including an evaluation of time required from non-executive directors and whether such time requirements are being met;
- (e) establishing succession plans to maintain an appropriate balance of skills and diversity on the Board and in the positions of Managing Director and other senior executives and reviewing those plans;
- (f) regularly assessing and reviewing the requirements for the selection and appointment of directors including;
  - (i) recommending the removal or re-election of directors; and
  - (ii) overseeing the induction of new directors and professional development opportunities, especially ensuring directors receive ongoing briefings on developments in accounting standards.

#### **2.2 Regulations**

The Nomination Committee will comply with the requirements set out in the constitution of the Company and with the ASX Listing Rules and the Corporation Act. The Nomination Committee will pay regard to the Corporate Governance Principles and Recommendations published by ASX Limited.

## 2.3 Selection and Appointment of Directors

- (a) The Nomination Committee will select candidates for appointment or re-appointment as a director, and will present these candidates to the Board.
- (b) In selecting directors for appointment the Nomination Committee will ensure there is a process for recruitment including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in light of the evaluation, preparing a description of the role and capabilities required for a particular appointment.
- (c) The Committee will review and make recommendations to the Board regarding induction and continuing professional development programs for directors.
- (d) Factors to be considered by the Nomination Committee when recommending a person for appointment as a director include:
  - (i) the competencies and characteristics of the current Board members;
  - (ii) the nature of existing positions held by the appointee including directorships or other relationships and the impact that each may have on the appointee's ability to exercise an independent judgment;
  - (iii) the time commitment required from a director to effectively discharge his or her duties to the Company;
  - (iv) the appointee's range of commitments, including material directorships, that may demand the attention of the appointee;
  - (v) consideration of the Company's policies adopted from time to time, including the Diversity Policy, Code of Conduct and Board Charter;
  - (vi) the extent to which the appointee holds the desirable competencies within the Board Skills Matrix, is likely to contribute to the overall effectiveness of the Board and work constructively with the existing directors;
  - (vii) any statement by the Board as to whether it supports the proposed candidate;
  - (viii) any position at the Company held by the proposed candidate or any associate of the proposed candidate;
  - (ix) the results of any checks undertaken in relation to the candidate, these should include checks as to the person's character, experience, education, criminal record and bankruptcy history;
  - (x) if necessary, the advice of any independent external advisor appointed to identify or assess potential candidates, including where required to identify a diverse range of potential candidates; and
  - (xi) Karoon's diversity objectives.
- (e) In accordance with the Company's constitution all new appointees to the Board, other than the Managing Director, must retire at the next annual general meeting after the date of the appointment and offer themselves for election by shareholders.
- (f) The Nomination Committee shall ensure that there is a written agreement for each director.
- (g) Non-executive directors shall inform the Chairs of the Board and Nomination Committees before accepting new appointments as director of listed entities, other material directorships or positions with significant time commitments.

## 2.4 Desirable Competencies and Characteristics of Nominees

Details of the skills and diversity sought by the Board are contained in the Board Skills Matrix overseen by the Nomination Committee. The following have been identified as desirable competencies of Board members:

- (a) industry knowledge or ability to acquire that knowledge;
- (b) independence from the Company and senior executives (where relevant);
- (c) personal and professional integrity, good communication skills and ability to work harmoniously with fellow directors and management;
- (d) demonstrated and recognised knowledge, experience and competence in business including financial literacy; and
- (e) ability to analyse information, think strategically and review and challenge management in order to make informed decisions and assess performance.

## 2.5 Independence of Board Members

- (a) The Nomination Committee shall consider (and disclose) if a director has an interest, position, association or relationship that may compromise the independence of the director. Examples of interests, positions, associations and relationships that might cause doubts about the independence of a director include if the director:
  - (i) is, or has been, employed in an executive capacity by the Company or any of its child companies and there has not been a period of at least three years between ceasing such employment and serving on the Board;
  - (ii) is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the Company or any of its child companies;
  - (iii) is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the Company or any of its child companies, or an officer of, or otherwise associated with, someone with such a relationship;
  - (iv) is a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company;
  - (v) has a material contractual relationship with the Company or its child companies other than as a director;
  - (vi) has close family ties with any person who falls within any of the categories described above; or
  - (vii) has been a director of the Company for such a period that his or her independence may have been compromised.
- (b) The Nomination Committee should assess the materiality of the interest, position, association or relationship to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.
- (c) The Nomination Committee is to consider the independence of non-executive directors on at least an annual basis (ie prior to issue of the annual report) and prior to considering candidates for election to the Board.
- (d) The Board should regularly assess the independence of any director who has served in that position for more than 10 years.

### **3. ADMINISTRATION**

#### **3.1 Membership**

The Nomination Committee shall comprise the following membership structure:

- (a) at least 3 non-executive director members;
- (b) a majority of independent non-executive director members;
- (c) annual nomination and confirmation by the Board of all members; and
- (d) an independent Chairperson appointed by the Board.

#### **3.2 Chairperson**

- (a) A member of the Committee who is an independent director and who is not the chair of the Board shall be elected by the Board as Chairperson of the Committee.
- (b) The Chairperson shall be re-elected annually by the Board.

#### **3.3 Secretary**

The Company Secretary shall be the Secretary of the Nomination Committee.

#### **3.4 Quorum**

A quorum shall be two members who are independent non-executive directors.

#### **3.5 Voting**

A resolution of the Committee requires the agreement of a majority of members present.

#### **3.6 Meetings**

The Nomination Committee meetings will be held at least once annually.

#### **3.7 Records and Reporting**

- (a) The Committee shall establish and maintain files, which will contain the following:
  - (i) this Charter document (which shall also be available on the Company's website);
  - (ii) copies of the confirmed minutes of all meetings of the Committee;
  - (iii) copies of all written submissions to the Board by the Committee and copies of the confirmed Board minutes relating to such submissions; and
  - (iv) details of any changes to the composition of the Committee or its Charter.
- (b) The Nomination Committee may report to the Board at any time on any matter as the Committee sees fit.
- (c) Minutes of the Nomination Committee meetings will be kept and provided to the Board at the next meeting following the Committee meeting to which the minutes relate, along with any recommendation of the Committee.

#### **3.8 Conflicts of Interest**

Members of the Nomination Committee will not be present or vote on matters that involve a conflict of interest or involve relatives of the relevant member.

#### **3.9 Access to Information**

- (a) The Nomination Committee is authorised by the Board to investigate any activity within this Charter. It is authorised to seek any information it requires from any employee and

all employees are directed to cooperate with any request made by the Nomination Committee.

- (b) The Nomination Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary.

### **3.10 Authority**

The Nomination Committee has no decision making power but is required to make recommendations to the Board on all matters within this Charter. The Board may wish to participate in any part of the process, particularly in selecting the Chair and executive directors.

### **3.11 Review and Revocation**

- (a) The performance of the Nomination Committee will be reviewed annually by the Board.
- (b) The Committee will review the Nomination Committee Charter annually and discuss required changes with the Board.
- (c) The Committee will ensure that the Charter is approved or re-approved by the Board if required.
- (d) Any previous Nomination Committee Charter is revoked with effect from the date of this Charter.



Chairman  
Date: 28<sup>th</sup> July 2016