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## REMUNERATION COMMITTEE CHARTER

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### 1. INTRODUCTION

#### 1.1 Purpose of the Remuneration Committee

The Remuneration Committee has been established by resolution of the Board of Karoon Gas Australia Ltd (**Karoon** or **Company**) to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for directors and senior executives. The Committee will also ensure the Company:

- (a) has coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders;
- (b) observes those remuneration policies and practices; and
- (c) fairly and responsibly rewards executives and other employees having regard to the performance of the Company, the performance of the executive or employee and the general and specific remuneration environment.

### 2. ROLE AND RESPONSIBILITIES

#### 2.1 Powers and Functions

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

- (a) establishing and monitoring the remuneration framework for directors, including the process by which any pool of director's fees approved by shareholders is allocated to directors;
- (b) formulating and disclosing separate policies and practices regarding remuneration of non-executive directors, remuneration of executive directors and other senior executives in accordance with the guidelines for:
  - (i) composition;
  - (ii) fixed remuneration;
  - (iii) performance-based remuneration;
  - (iv) equity-based remuneration; and
  - (v) termination payments.
- (c) reviewing and making recommendations to the Board on the Company's recruitment, retention and termination policies and procedures for senior executives;
- (d) assessing the market and where necessary seeking external advice to ensure that senior executives are being rewarded with remuneration packages commensurate with their responsibilities and make recommendations to the Board on any

- proposed increases or incentives;
- (e) reviewing recommendations from the Managing Director relating to proposed merit increases for direct reports;
- (f) proposing, for full Board approval, the terms and conditions of employment for the Managing Director;
- (g) reviewing and making recommendations to the Board on the Company's superannuation arrangements for directors, senior executives and other employees;
- (h) assessing whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees;
- (i) reviewing related party remuneration; and
- (j) having regard to the Karoon Senior Executives Remuneration Policy and the Karoon Non-Executive Directors Remuneration Policy.

### **3. ADMINISTRATION**

#### **3.1 Membership**

The Remuneration 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 Remuneration 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 Remuneration 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 Remuneration Committee may report to the Board at any time on any matter as the Committee sees fit.
- (c) Minutes of the Remuneration 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 Remuneration 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 Remuneration Committee is authorised by the Board to investigate any activity within its 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 Remuneration Committee.
- (b) The Remuneration 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 Remuneration Committee has no decision making power but is required to make recommendations to the Board on all matters within its Charter.

### **3.11 Review and Revocation**

- (a) The performance of the Remuneration Committee will be reviewed annually by the Board.
- (b) The Committee will review the Remuneration 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 Remuneration Committee Charter is revoked with effect from the date of this Charter.



Chairman

Date: 27<sup>th</sup> November 2015