



Trac Group Holdings Ltd

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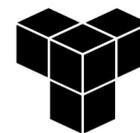
Remuneration and Nomination Committee Charter

Adopted by the Board on 14 October 2015



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1 Objective

The overall objective of the Remuneration and Nomination Committee is to assist the Board of Directors of Trac Group Holdings Ltd (the **Company**) to:

- (a) align the Company's remuneration approach with shareholder interests to allow the organisation to attract, motivate and retain its staff to enhance the Company's performance in a manner that supports the long-term financial soundness of the Company;
- (b) provide appropriate corporate governance by identifying the mix of skills and individuals required in Directors to allow the Board to contribute to the successful oversight and stewardship of the Company and discharge their duties under the law diligently and efficiently; and
- (c) evaluate the performance of the CEO and members of the senior management team.

2 Administration

2.1 Membership

The Committee will consist of:

- (a) only non-executive Directors;
- (b) a minimum of two members;
- (c) a majority of independent Directors; and
- (d) an independent Director as Committee Chairman.

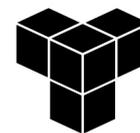
The current members of the Committee will be disclosed in the Company's Annual Report or on the Company's website.

2.2 Committee Chairman

The Committee Chairman will preside at meetings of the Remuneration and Nomination Committee. If the Committee Chairman is not present at a Committee meeting, the members must elect another member to act as Committee Chairman for that meeting.

The role of the Committee Chairman is to:

- (a) determine the agenda for meetings of the Committee in conjunction with the Committee Secretary (as defined below in section 3.4);
- (b) chair meetings of the Committee and take reasonable steps for the proper functioning of the Committee, including the proper conduct of meetings and an appropriate level of discussion;
- (c) take reasonable steps regarding the adequate flow of relevant information to the Committee;
- (d) take reasonable steps to advise the Board on the Committee's recommendations to the Board on matters falling within the scope of the Committee's responsibilities;
- (e) review the minutes of meetings of the Committee for circulation to and approval by the Committee and sign the approved minutes; and
- (f) act under a delegation of the Committee, including liaising on behalf of the Committee with consultants advising the Committee.



3 Meetings

3.1 Frequency of meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil its role. However, it is intended that the Committee will normally meet at least three times a year.

In addition, the Committee Chairman is required to call a Committee meeting if requested to do so by:

- (a) any Committee member;
- (b) the CEO; or
- (c) any other Director.

The number of Committee meetings and Committee members' attendance at those meetings will be disclosed each year in the Company's Annual Report or on the Company's website.

3.2 Attendance by non-members

All Directors may attend Committee meetings. The CEO of the Company will normally be invited to attend Committee meetings at the invitation of the Committee unless a conflict of interest exists or a closed session of the Committee is being held.

Members of management and/or parties external to the Company may be invited to attend any Committee meeting or part thereof subject to the invitee not having a material personal interest in the matter of the Committee being considered. Non-members of the Committee may be asked to withdraw from all or any part of a meeting.

3.3 Meetings other than in person

Where deemed appropriate by the Committee Chairman, meetings may occur via conference call or other electronic means and approvals and recommendations may occur via written resolution.

3.4 Committee Secretary

The Company Secretary (or delegate as approved by the Committee) will act as secretary of the Committee and will be responsible, in conjunction with the Committee Chairman, for drawing up the agenda (supported by explanatory documentation and papers) and circulating the Committee papers to Committee members prior to each meeting. Directors may request papers for or from any meeting and will be notified in advance of the agenda of forthcoming meetings.

The Committee Secretary will also be responsible for keeping the minutes of meetings of the Committee (except when the Committee is in closed session) and circulating them to the Committee Chairman for review, as well as to the other Committee members, Board members and Committee meeting attendees as appropriate.

3.5 Quorum

A quorum must consist of at least two members.

4 Duties and Responsibilities – Remuneration

4.1 Executive remuneration policy and framework recommendations

The Committee has the duty and responsibility to review the remuneration policy and framework (**Remuneration Policy**) and recommend it to the Board for approval. This includes conducting regular reviews of, and making recommendations to the Board on, the following:

- (a) assessing the Remuneration Policy and compliance with legal and regulatory requirements;



- (b) reviewing material changes to the Remuneration Policy, including remuneration structure, retention and termination policies for all staff;
- (c) reviewing material changes to the recruitment policies, procedures and remuneration approach for the Company's senior management team (including the CEO);
- (d) recommending performance-based (at-risk) components of remuneration and targets for the Company's financial performance as they relate to incentive plans, including equity-based payments; and
- (e) assessing overall remuneration outcomes, including by gender.

4.2 Non-executive Director remuneration

The Committee has the duty and responsibility to review and make recommendations to the Board relating to:

- (a) the remuneration framework for the non-executive Directors (including the Committee Chairman and Committee members) of the Company; and
- (b) remuneration recommendations for non-executive Director fees.

4.3 Remuneration reporting

The Committee has the responsibility to:

- (a) propose the Remuneration Report to the Board;
- (b) liaise with the external auditors in relation to its review; and
- (c) make recommendations to the Audit and Risk Committee that the Remuneration Report of the Company is in accordance with the Corporations Act, including complying with relevant accounting standards, the Corporations Regulations and other mandatory professional reporting requirements.

The Committee Chairman and/or the Chairman of the Board will also engage with shareholders and proxy advisers in advance of the Annual General Meeting.

4.4 Engagement of remuneration consultants

The Committee must approve the engagement of remuneration consultants when obtaining independent advice on the appropriateness of remuneration packages and other employment conditions for senior management (including the CEO) and non-executive Directors. The Committee Chairman is responsible for liaising on behalf of the Committee with consultants advising the Committee.

5 Duties and Responsibilities – Nomination

The Committee is to review and consider the structure and balance of the Board and make recommendations regarding appointments and re-elections. In particular, the Committee is to:

- (a) identify and recommend to the Board, candidates for the Board after considering the necessary and desirable competencies of new Board members, the range and depth of skills and the diversity of the Board;
- (b) review and disclose 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;
- (c) undertake the appropriate checks on candidates for the Board (including checks concerning the person's character, qualifications and experience, education, criminal record, bankruptcy history and independence as a director) and provide that information,



where material and relevant, to shareholders before recommending a candidate for appointment or re-election;

- (d) ensure that the Company enters into a written agreement with each new Board member and senior management team member which sets out the terms of their appointment;
- (e) review induction procedures for new appointees to the Board to facilitate their ability to discharge their responsibilities;
- (f) assess and consider the time required to be committed by a Director to properly fulfil their duty to the Company and advise the Board; and
- (g) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board.

6 Duties and Responsibilities – CEO and Senior Management

The Committee is to assist the Board by:

- (a) assisting the Chairman of the Board in the annual performance review of the CEO;
- (b) overseeing the annual performance review of members of the Company's senior management team;
- (c) advising the Board on the development and succession planning process for the CEO and the CEO's direct reports; and
- (d) reviewing and approving human resources management policies developed by the management team in relation to employee recruitment, performance management, performance assessment, training and development, and retention.

The Company will disclose each year in its Annual Report or on its website whether performance evaluations of the CEO and members of the senior management team were undertaken in accordance with the above process.

7 Periodic Review

The Committee has the responsibility to:

- (a) review the Remuneration and Nomination Committee Charter at any time when required and recommend any proposed changes to the Board for approval; and
- (b) conduct a periodic, but at least annual, evaluation of the Committee's performance and the extent to which the Committee has met the objectives set out in this Committee Charter.

8 Access

The Committee will have free and unfettered access to all personnel and other parties (internal and external), including the external auditors, legal advice or independent remuneration advisers.

Committee members may seek independent professional advice for Company related matters at the Company's expense, subject to the estimated costs being approved by the Chairman of the Board, in advance, as being reasonable.

9 Reporting

The Committee, through the Committee Chairman, is to advise and make recommendations to the Board on matters falling within the scope of its responsibilities. Such advice may be in the form of minutes of its meetings, supporting papers, and written or oral reports at Board meetings.