



# **BLACKGOLD INTERNATIONAL HOLDINGS LIMITED**

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## **NOMINATION AND REMUNERATION COMMITTEE CHARTER**

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Adopted by the Board of Directors pursuant to  
a Resolution dated

**18 March 2011**

c/o 311-313 Hay Street  
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## **1. Introduction**

In this Charter, unless otherwise defined:

- 1.1. Group means Blackgold International Holdings Limited and its related bodies corporate;
- 1.2. BIHL means Blackgold International Holdings Limited;
- 1.3. Committee means the nomination and remuneration committee of the Board;
- 1.4. ASX means Australian Stock Exchange Limited;
- 1.5. ASX CGC means the ASX Corporate Governance Council;
- 1.6. Board means the Board of directors of BIHL;
- 1.7. Chair means the chairman of the Committee; and
- 1.8. Company Secretary means the company secretary of BIHL.
- 1.9. CEO means the Group Chief Executive Officer of BIHL and its controlled entities.

## **2. Establishment of the Committee**

- 2.1. This Charter sets out the basis on which the Board has established a nomination and remuneration committee
- 2.2. This Charter sets out the role, composition, authority, responsibilities and operations of the Committee.
- 2.3. The Committee supports and advises the Board in relation to:
  - (a) the selection and appointment of Directors who are able to meet the needs of the Company and the ongoing evaluation and review of the performance of the Board; and
  - (b) ensure that:
    - (i) The Company designs and executes responsible Remuneration and Human Resource structures, policies and procedures which attract, motivate and retain high performing directors, executives and key employees who will be best able to contribute to the ongoing success of BIHL ; and

- (ii) Remuneration structures are designed within the appropriate control frame work.

### **3. Committee Membership**

- 3.1. The Committee will consist of at least two members, each of whom will be appointed or removed by the Board.
- 3.2. A majority of members of the Committee must be non-executive directors, as determined by the Board.
- 3.3. The Chair will be elected by the Board and must be a member of the Committee.
- 3.4. Members of the Committee must have a significant relevant understanding of the business of the Group.
- 3.5. The Company Secretary will act as Secretary of the Committee, unless otherwise determined by the Committee.

### **4. Proceedings Frequency**

- 4.1. The Committee will meet as often as it considers necessary.
- 4.2. Any member may call a meeting of the Committee.

### **5. Notice**

- 5.1. The dates, times and venues of each meeting of the Committee will be notified by the Secretary to all members of the Committee as far in advance as possible.

### **6. Attendance**

- 6.1. Only members of the Committee are entitled to be present at a Committee meeting.
- 6.2. The Committee may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate. In particular, the Committee may meet with:
  - (a) external advisers;
  - (b) any executive or other employee; or
  - (c) the Chairman of the Board or any other Director, and may do so with or without executive management being present.

## **7. Quorum**

A quorum for a meeting of the Committee is two members who are non-executive directors. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers or discretions vested in, or exercisable by, the Committee.

## **8. Chair**

8.1. In the absence of the Chair, the remaining members will elect one of their number as Chair of the meeting.

8.2. The Chair have a casting vote.

## **9. Constitution**

Proceedings of the Committee will be governed by the provisions of the Constitution, in so far as they may be applicable.

## **10. Minutes**

Minutes of meetings of the Committee, signed by the Chairman, will be distributed to members for confirmation as soon as practicable after each meeting and tabled for discussion at the next Committee and/or Board meeting.

## **11. Authorities Access**

The Committee is authorized to seek any information it requires from any member of the Group's senior executive team or from any other source.

## **12. Independent advice**

The Committee is authorized to obtain (at the cost of the Company) outside legal or other independent professional advice, and to secure the attendance of such advisers if it is considered necessary for the proper performance of the Committee's functions under this Charter. The member should first contact the Chair and the Secretary who will, if required by the member or by the Chairman, assist in procuring that professional advice.

## **13. Duties and Responsibilities**

Without limiting its role, the specific duties and responsibilities of the Committee include the following:

13.1. In relation to the Committee's function as nomination committee:

- (a) assessing periodically the skill set required to discharge competently the Board's duties, having regard to the strategic

direction of the Group, and assessing the skills currently represented on the Board;

- (b) regularly reviewing and making recommendations to the Board regarding the structure, size and composition (including the balance of skills, knowledge and experience) of the Board and the effectiveness of the Board as a whole, and keeping under review the leadership needs of the Company, both executive and non-executive;
- (c) preparing a description of the role and capabilities required for a particular appointment;
- (d) identifying suitable candidates (executive and non-executive) to fill Board vacancies as and when they arise and nominating candidates for the approval of the Board. This will include any subsequent decisions to extend an appointment;
- (e) ensuring that, on appointment, all Directors receive a formal letter of appointment, setting out the time commitment and responsibility envisaged in the appointment including any responsibilities with respect to Board Committees or in acting in a capacity other than as a Director (eg. as Chair or as a lead independent Director);
- (f) identifying the existing Directors who are due for re-election by rotation at Annual General Meetings, in accordance with the Constitution;
- (g) in carrying out its duties under this paragraph in relation to any re-appointment of a non-executive director on conclusion of their specified term of office, undertaking a process of review of the retiring non-executive director's performance during the period in which the non-executive director has been a member of the Board;
- (h) giving full consideration to appropriate succession planning, satisfying itself that processes and plans are in place in relation to the Board;
- (i) reviewing disclosures, including a statement in the Annual Report detailing the Committee's activities and the process used for appointments; and
- (j) making publicly available the Committee's Charter, explaining its role and the authority delegated to it by the Board.

13.2. In relation to the Committee's function as remuneration committee:

- (a) Review and make recommendations to the Board regarding BIHL's Remuneration Policy, Strategy and Structure including:
  - (i) Fixed remuneration
  - (ii) Job evaluation
  - (iii) Benchmarking
  - (iv) Short term incentives
  - (v) Long term incentives
  - (vi) Equity based incentives
  - (vii) Allowances
  - (viii) Benefits
- (b) Maintain the contemporary relevance of such policy and strategy, consistent with the objective of retaining and attracting quality personnel in a competitive executive market.
- (c) Oversee the implementation of such Remuneration Policy and Strategy.
- (d) Make recommendations to the Board regarding the remuneration of the CEO.
- (e) Review and make recommendations to the Board regarding any changes to the Remuneration or contract terms of the CEO.
- (f) Ensure that any equity based and share option plans operate within their stated limits and within the requirements of both the Corporations Act and the ASX Listing Rules.
- (g) Ensure that the recommended remuneration of the CEO and executive team comprises a suitable balance between fixed and incentive pay, reflecting short and long-term objectives relevant to the company's business objectives.

#### **14. Conflicts**

No member of the Committee will participate in a review of their own performance or re-appointment.

## **15. Recommendations to the Board**

The Committee will make recommendations to the Board (as and when it considers it appropriate) in relation to the duties and responsibilities. In discharging its duties and responsibilities and formulating recommendations to be made to the Board, the Committee will consult regularly with the Chairman of the Board, if that Chairman is not also a member of the Committee.

## **16. Special Projects**

The Committee may undertake any special projects or investigations which the Committee considers necessary, or as may be requested by the Board.

## **17. Reporting to the Board**

The Chair (or a person nominated by the Chair for that purpose) must report to the Board at its next meeting regarding all material matters relevant to the Committee's duties and responsibilities.

## **18. Review of this Charter**

This Charter is reviewed annually by the Committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities with significant changes recommended for approval by the Board.