



# REMUNERATION & NOMINATION COMMITTEE CHARTER

## 1 INTRODUCTION

This is the charter of the Remuneration & Nomination Committee of the Board of Directors of DataDot Technology Ltd. The charter governs the procedures for and outlines the role and duties of the Committee.

## 2 REMUNERATION COMMITTEE

### 2.1 Role of Committee

The Committee is a committee of the Board. Its role is to review and make recommendations to the Board in respect of:

- An executive remuneration and incentive policy;
- The remuneration of the CEO, executive directors and all direct reports of the CEO;
- Any executive incentive plan;
- The remuneration of non-executive directors;
- Retention, performance assessment and termination policies and procedures for non-executive directors, the CEO, executive directors and all direct reports of the CEO;
- Establishment and oversight of employee and executive share plans and share option plans;
- Superannuation arrangements;
- The disclosure of remuneration in DDT's publications, including ASX filings and the Annual Report;
- The appropriate size and composition of the Board;
- Criteria for selection of directors, having regard to the need for breadth and depth of skills and experience on the Board;
- A process for selecting directors;
- Monitoring performance of the *Board and Director Evaluation Policy*.

### 2.2 Director Selection and Director Re-election

The Committee shall make appropriate checks before recommending appointment or election of a person as a director and the Board will issue the information to shareholders.

The Committee shall recommend to the Board whether all candidates for election as director would qualify, if elected, as independent directors and the Board will issue the information to shareholders.

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### **2.3 Composition**

#### ***2.3.1 Number of Members and Quorum***

The Committee should consist of a minimum of 3 directors, a majority of whom should be independent directors.

The quorum for all meetings of the Committee will be 2 Committee members.

#### ***2.3.2 Chairman***

The Board will appoint an independent director as Chairman of the Committee. In the absence of the Committee Chairman, the members will elect one of their number as Chairman for that meeting.

#### ***2.3.3 Removal or resignation***

If a member of the Committee retires, is removed or resigns from the Board, that member ceases to be a member of the Committee and the Board will appoint a successor.

#### ***2.3.4 Committee may invite***

The Committee may invite any member of the executive management or other individual to attend meetings of the Committee.

#### ***2.3.5 Secretary***

The Company Secretary will be the secretary of the Committee.

### **2.4 Frequency and Procedure for Calling of Meetings etc.**

The Committee will meet twice annually or more regularly if necessary.

The Secretary or any Committee member may call a meeting of the Committee. Preferably one week prior to the date of a meeting a notice confirming the date, time, venue and agenda of the meeting will be distributed to each Committee member (with a copy to each Board member).

The Secretary will keep minutes of each meeting and the resolutions of the Committee. After the Committee Chairman has approved the minutes they are to be distributed to all Committee members.

The Chairman of the Committee will report to the Board following each meeting.

### **2.5 Professional Advice**

The Committee may request management or a remuneration consultant to assist with the provision of necessary information.

## **3 DUTIES AND RESPONSIBILITIES**

In order to fulfil its responsibilities to the Board the Committee will:

### **3.1 Executive Remuneration Policy**

- Review and make recommendations to the Board regarding DDT's policy for determining executive remuneration;
- Maintain the contemporary relevance of such policy, consistent with the objective of retaining and attracting quality personnel in a competitive executive market.
- Oversee the implementation of executive remuneration policy within DDT..

### **3.2 Executive Director and Senior Management Remuneration**

- Make recommendations to the Board regarding the remuneration of the CEO.
- Make recommendations to the Board regarding the remuneration of executive directors and direct reports to the CEO.
- Make recommendations to the Board on specific superannuation or retirement arrangements for executive directors, the CEO and direct reports to the CEO.
- Seek independent, market-based remuneration benchmark annually to ensure competitive levels of benefit.

### **3.3 Executive Incentive Plans**

- Make recommendations to the Board regarding the design of all executive incentive plans.

### **3.4 Non-executive Director Remuneration**

- Make recommendations to the Board regarding the framework and level of remuneration for non-executive directors, consistent with the objective of retaining and attracting suitable candidates for the Board while maintaining a level commensurate with boards of a similar size and type.

### **3.5 Performance Measurement Policies and Procedures**

- Ensure that the recommended remuneration of the CEO, executive directors and direct reports to the CEO comprises a suitable balance between fixed and incentive pay, reflecting short and long-term objectives relevant to the company's business objectives.
- Make recommendations to the Board regarding performance management policies and procedures, consistent with incentive-based remuneration practices, for the CEO, executive directors and direct reports to the CEO.

### **3.6 Performance Review**

- Conduct an annual performance review of senior executives relative to the short and long term performance objectives and measures adopted under this policy.

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- Conduct an annual performance review of the Board, its Committees and Directors in accordance with the review process established under the *Board and Director Evaluation Policy*.

### 3.7 Termination Policies and Procedures

- Make recommendations to the Board regarding termination policies for the CEO, executive directors and direct reports to the CEO.

### 3.8 Equity Based Plans

- Make recommendations to the Board to ensure the adequacy and contemporary relevance of equity base and share option plans.
- Ensure that equity base and share option plans operate within their stated limits and within the limits prescribed by ASX Listing Rules.

### 3.9 Disclosure

- Review all public disclosures to ensure that both the levels and process of setting the remuneration for directors, the CEO and senior executives are to be fully and fairly reported as required by law and consistent with common practice.

## 4 RELATED PARTY TRANSACTIONS

In relation to transactions involving a financial benefit to a related party:

- (a) Directors and management of DataDot Technology Ltd, its subsidiaries and related entities are required to notify the Company Secretary of all such transactions;
- (b) The Secretary will inform the Committee and Board of all notices received; and
- (c) Only the Board may approve transactions where the financial benefit to the related party is \$10,000 or more.

### Aim of Policy

The object of the policy is to ensure that the Board is informed of, and in some cases that only the Board can approve, commercial arrangements with persons or companies that are related to Group personnel. Specifically, the aims are:

- (a) to ensure that the Board is informed of all proposed *transactions* between any company in the Group and persons who are related parties, so that the company can fulfil its obligations under the Corporations Act; and

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- (b) to ensure that only the Board may approve any related party transaction where the value of the transaction, or aggregate of transactions, is \$10,000 or more.

### Defining the Terms

For the purposes of this policy the definition of *related party* has been cast wider than the definition under the Corporations Act and is as follows:

- a director or manager of DataDot Technology Ltd (DDT) or any of its subsidiary or associated companies;
- a spouse or de facto spouse of a director or manager of any of these companies;
- parents and children of directors and managers of any of these companies;
- spouses and de facto spouses of parents and children of directors and managers of any of these companies;
- an entity controlled by any person listed above;
- an entity that does business with any of the persons or entities listed above if the entity believes that by doing business with DDT or a subsidiary or associated company a financial benefit will accrue to one of the persons or entities listed above.

Under the policy, examples of transactions *giving a financial benefit to a related party* include:

- providing finance or property to a related party;
- employing a relative of a director or manager;
- leasing an asset from or to a related party;
- supplying services to or receiving services from a related party;
- issuing shares or granting options to a related party;
- assuming or releasing an obligation of a related party.

### Administration

This policy will be incorporated into the company's Remuneration & Nomination Committee Charter, which is posted on the DDT website along with other Governance Policies.

## 5 REVIEW

The Chairman of the Committee will conduct an annual review of this Charter to ensure that it continues to provide an effective and efficient mechanism for determining remuneration policy. Any proposed amendments to the Charter that stem from such a review must be submitted to the Board for approval.