

## REMUNERATION COMMITTEE CHARTER

### SWALA ENERGY LIMITED ACN 161 989 546

#### 1. ROLE

- 1.1 The role of the Swala Energy Limited (Swala) Remuneration Committee (Committee) is to assist the Board in fulfilling its corporate governance responsibilities in regard to:
- i. remuneration policies for Non-Executive Directors;
  - ii. remuneration policies for Executive Directors;
  - iii. remuneration policies for Executive Management;
  - iv. equity participation; and
  - v. other matters referred to the Committee by the Board (including Human Resources policies).
- 1.2 To the extent practicable, the Committee is to undertake the functions of the Remuneration Committee Committee referred to in the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles)*.

#### 2. MEMBERSHIP

- 2.1 Committee Members and the Chairman of the Committee are appointed by the Board in accordance with Swala's Constitution.
- 2.2 The Committee will comprise of at least two Non-executive Directors.
- 2.3 The Chairman of the Committee is to be an independent non-executive director and is to be appointed by the Board.
- 2.4 All Directors are invited to attend Committee Meetings. In accordance with Section 195(2) of the Corporations Act 2001, "interested" Directors should not be present for consideration of, and vote on, related matters.
- 2.5 The Committee may seek the counsel of an expert at any time and may do so in accordance with clause 6 of this Charter.

#### 3. RESPONSIBILITIES

The responsibilities and functions of the Remuneration Committee are as follows:

- i. determine the remuneration packages of senior management including any executive directors. Such packages may include a mix of fixed, performance-based and equity-based remuneration;
- ii. establish the company's recruitment, retention and termination policies and procedures for senior management;
- iii. establish the remuneration framework for Non-Executive Directors within the thresholds approved by shareholders at general meetings;
- iv. review and recommend to the Board, the Chairman and the Managing Director (MD) goals and objectives, evaluate Chairman and MD performance in light of these corporate objectives, and set Chairman and MD compensation levels consistent with company philosophy and comparative market trends;

- v. review trends in management compensation, oversee the development of new compensation plans and, when necessary, approve the revision of existing plans;
- vi. review the performance of executive management;
- vii. review and recommend to the Board the salaries, bonus and other compensation for all senior executives, the committee will recommend appropriate salary, bonus and other compensation to the Board for approval;
- viii. review and recommend to the Board the awards made under any executive officer bonus plan, and provide an appropriate report to the Board;
- ix. review and make recommendations to the Board concerning incentive compensation plans, including the use of share options and other equity-based plans; and
- x. review periodic reports from management on matters relating to Swala's personnel appointments and practices.

#### **4. MEETINGS**

- 4.1** The Committee should meet as often as the Chair of the Committee determines necessary. At a minimum, the Committee should meet at least once per year. Committee Meetings may however be requested by any Member.
- 4.2** The Chairman will determine the procedure for meetings of the Committee.
- 4.3** A quorum for a Committee Meeting is when at least two Members are present.
- 4.4** Minutes of all meetings of the Committee are to be kept by the Company Secretary.
- 4.5** Relevant Swala employees may be invited to attend Committee Meetings.
- 4.6** Committee meetings will be governed by the same rules, as set out in the Company Constitution, as they apply to the meetings of the Board.

#### **5. REPORTING**

- 5.1** The Committee is to report on its Meetings to the Board (which may be either verbally or in writing).
- 5.2** All recommendations of the Committee are to be referred to the Board for approval.

#### **6. ACCESS TO INFORMATION AND ADVICE**

- 6.1** The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding his/her remuneration.
- 6.2** The Committee has the authority to seek any information it requires from any Swala employee and all employees must comply with such requests.
- 6.3** In carrying out its functions, the Committee may take independent legal, financial, remuneration or other professional advice or assistance, at the reasonable expense of Swala. Unless a conflict exists or to do so would be inconsistent with the Committee's duties, the Committee is to request such information, professional advice or assistance permitted under this clause 6 via the Chairman.

## **7. COMMITTEE PERFORMANCE**

To determine whether it is functioning effectively, the Committee shall:

- i. review this Charter annually; and
- ii. undertake an evaluation of its performance at intervals considered appropriate by the Chairman.