

## Nomination and Remuneration Committee Charter

**Boyuan Holdings Limited**

**ACN 608 897 963**

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Level 14, Australia Square, 264-278 George Street, Sydney  
NSW 2000 Australia

GPO Box 5408, Sydney NSW 2001 Australia

DX 129 Sydney

Telephone +61 2 9334 8555

Facsimile 1300 369 656 (Australia)  
9037 0055 (International)

hwlebsworth.com.au

+61 2

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# Nomination and Remuneration Committee Charter

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Date adopted by  
the Board

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## 1. Purpose of the Charter

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This Charter has been adopted by the Board for the purpose of specifying the authority of the Committee as a sub-committee of the Board and setting out the role and responsibilities of the Committee which is to review and make recommendations to the Board unless otherwise expressly delegated with decision making power by the Board.

## 2. Definitions

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### 2.1 Definitions

General terms and abbreviations used in this Charter are defined as follows:

<b>Accounting Standards</b>	has the meaning given to that term in section 9 of the Corporations Act.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities market operated by ASX Limited, as the case may be.
<b>ASX Listing Rules</b>	means the listing rules of the ASX as amended from time to time.
<b>Board</b>	means the board of Directors of the Company.
<b>Board Committees</b>	means committees established by the Board.
<b>CFO</b>	means the chief financial officer of the Company.
<b>Charter</b>	means this "Nomination & Remuneration Committee Charter".

<b>Committee</b>	means the "Nomination & Remuneration Committee".
<b>Company</b>	means Boyuan Holdings Limited ACN 608 897 963.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Executive Director</b>	means an executive Director of the Company.
<b>Managing Director</b>	means the managing director of the Company, or other equivalent senior executive.
<b>Non-executive Director</b>	means a non-executive Director of the Company.
<b>Secretary</b>	means the company secretary of the Company.

### 3. Role and responsibilities

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#### 3.1 Role

The Committee will oversee the process of appointment and remuneration of the Non-executive Directors, Managing Director, Secretary, CFO (or equivalent), and other senior executives and employees of the Company.

Pursuant to ASX Listing Rule 12.8, if the Company is included in the S&P/ASX 300 Index at the beginning of the Company's financial year, then all members of the Committee must be Non-executive Directors.

#### 3.2 Objectives

The objectives of the Committee include:

- (a) to review and assess the necessary and desirable competencies of the Non-executive Directors;
- (b) to monitor and evaluate the performance of each Director individually, and of the Board collectively;

- (c) to develop succession plans for the Board and to oversee development by management of succession planning for senior executives; and
- (d) to develop, evaluate and review remuneration practices and policies.

### 3.3 Responsibilities

The Committee will:

- (a) determine and review the time commitment required from each Director to discharge his or her obligations to the Company in an effective manner;
- (b) identify and evaluate the necessary and desirable skills, experience and diversity of the Board and Board Committees;
- (c) identify suitable candidates for appointment to the Board to ensure an appropriate mix of expertise, experience, diversity and succession;
- (d) formulate and review a process for the nomination and selection of Non-executive Directors to the Board;
- (e) undertake all appropriate checks before nominating an individual as a candidate for appointment to the Board;
- (f) assess the independence of each Non-executive Director regularly, including any potential effect on independence arising out of the directorships held by, or offered to, each Non-executive Director in other public companies;
- (g) develop and implement a succession plan for each Non-executive Director in order to maintain all necessary and desirable competencies;  
  
develop and implement induction programs for Non-executive Directors, including ongoing professional development; and
- (h) implement and maintain a remuneration strategy capable of attracting and motivating each Director and senior executive in the context of the objective of maximising value for the Company's security-holders.

## 4. Composition and structure

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### 4.1 Composition and structure

- (a) The Committee should be structured so that it:
  - (i) has at least three members;
  - (ii) consists of a majority of independent Directors; and
  - (iii) is chaired by an independent Director.

- (b) The current members of the Committee are Dr Saliba Sassine, Mr David Batten and Yading Wan. The Committee is currently chaired by Dr Saliba Sassine.
- (c) The members of the Committee will be appointed and removed by the Board.

#### 4.2 Expertise

Members of the Committee must have an appropriate level of understanding of:

- (a) the principles of corporate governance, including knowledge of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition, 2014)*;
- (b) the Company's businesses and organisation structure;
- (c) the functions of the Board and the various roles and responsibilities of the Directors and other key executives; and
- (d) Company management, at a senior management level.

## 5. Meetings and procedures

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The Committee will consider nomination and remuneration issues as often as the Committee members deem necessary in order to ensure that the Committee fulfils its role and the objectives set out in this Charter. It is intended that this will occur at least once a year.

Except as set out in this Charter, the Committee is subject to the Board's general policy for engaging or seeking advice from financial and legal advisers. The Committee may seek any information it considers necessary in order to fulfil its responsibilities from:

- (a) appropriate external advisers or consultant; and
- (b) the Company's management,

at the Company's expense.

## 6. Remuneration policy

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An objective of the Committee is to provide an independent and objective perspective on the value and structure of remuneration for each of the Company's Non-executive Directors, Managing Director/CEO, Secretary, CFO (or equivalent), and other senior executives and employees to maximise the benefit derived from their skills and experience in order to facilitate the long-term growth and success of the Company. In order to fulfil its responsibilities, the Committee will:

- (a) in respect of the executive remuneration policy:
  - (i) review and make recommendations regarding the Company's policy for determining executive remuneration;
  - (ii) maintain the contemporary relevance of such policy, consistent with the objective of retaining and attracting quality personnel in a competitive executive market; and
  - (iii) oversee the implementation of executive remuneration policy within the Company;
- (b) in respect of Executive Director and senior management remuneration:
  - (i) make recommendations to the Board regarding the remuneration of the CEO;
  - (ii) make recommendations to the Board regarding the remuneration of other Executive Directors and direct reports to the CEO; and
  - (iii) make recommendations to the Board on specific superannuation or retirement arrangements for Executive Directors, the CEO and direct reports to the CEO; and
  - (iv) obtain independent, market-based remuneration benchmarks on an annual basis to ensure competitive levels of benefit;
- (c) in respect of executive incentive plans, make recommendations to the Board regarding the design of all executive incentive plans;
- (d) in respect of Non-executive Director remuneration:
  - (i) distinguish the structure of Non-executive Directors' remuneration from that of Executive Directors and other senior executives; and
  - (ii) 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 of remuneration commensurate with boards of a similar size and type including the design of and their participation in any share option or performance rights incentive plan which may be appropriate for the Company;

- (e) in respect of performance measurement policies and procedures:
  - (i) ensure that the recommended remuneration of each of the CEO, the 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 scale, performance and business objectives;
  - (ii) adopt and implement policies and practice regarding the deferral of performance-based remuneration; and
  - (iii) make recommendations to the Board regarding performance management policies and procedures, consistent with incentive-based remuneration practices and designed by reference to specified performance targets, for the CEO, the Executive Directors and direct reports to the CEO;
- (f) in respect of termination policies and procedures, make recommendations to the Board regarding termination policies for the CEO, Executive Directors and direct reports to the CEO;
- (g) in respect of equity based plans:
  - (i) make recommendations to the Board to ensure the adequacy and relevance of equity-based and share option or performance rights plans; and
  - (ii) ensure that equity based and share option or performance rights plans operate within their stated limits and within the limits prescribed by the ASX Listing Rules; and
- (h) review all public disclosures to ensure that both the levels and process of setting the remuneration for Directors, the CEO and senior executives are fully and fairly reported, as required by law and consistent with common practice.

## 7. Nomination Policy

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- (a) Additional objectives of the Committee are to:
  - (i) develop criteria for selection of candidates for the Board in the context of the Board's existing composition and structure in light of its desired mix of skills, experience and diversity;
  - (ii) make recommendations to the Board on the appointment and removal of Directors in light of the Board's current skills, experience and diversity;
  - (iii) develop a succession plan for the Board with a view to maintaining an appropriate balance of skills, experience and diversity;



- (iv) review all public disclosures to ensure that both the composition of the Board and the matrix of skills, experience and diversity the Committee intends to achieve and maintain is fully, fairly and transparently reported as required; and
- (v) ensure that there is an appropriate induction program in place for new Directors.

## 8. Accountability of Board

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The Board has ultimate responsibility for overseeing the performance of the Company, including its nomination and remuneration policies.

The Committee is responsible for preparing recommendations to the Board in relation to the appointment of proposed candidates, and to ensure that the Board is sufficiently informed in its decision-making with respect to remuneration strategies and structures.

## 9. Related party transactions

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Related party transactions between a Director (or Directors) and the Company are regulated by the Corporations Act and the ASX Listing Rules.

A Director with a material personal interest must comply with the law fully, including:

- (a) giving notice of that interest to the other Directors where required, including the nature and extent of the interest and the relation of the interest to the affairs of the Company (under section 191 of the Corporations Act); and
- (b) unless exempted by law, not being present while the matter is being considered at the Board meeting or vote on the matter (section 195 of the Corporations Act).

Before the Committee recommends to the Board that a related party transaction be approved without prior shareholder approval having been obtained, it must be determined that:

- (a) an exemption under Chapter 2E of the Corporations Act applies; and
- (b) Chapter 10 of the ASX Listing Rules does not apply.

The Company also discloses related party transactions in its financial report as required under relevant Accounting Standards. The Committee must ensure that all related party transactions are disclosed to the Company's auditors in a timely and complete manner.

## 10. Compliance with disclosure obligations

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The Committee will review all reporting by the Company of its nomination and remuneration policies and practices, including the Company's annual remuneration report and Annual Report, to ensure that the Company meets its disclosure obligations as required under the ASX Listing Rules and the Corporations Act.

## 11. Variation

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The Board may change this Charter by resolution.

## 12. Disclosure of Charter

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This Charter will be made available on the Company's website ([http://www.boyuan.com.au/corporate\\_governance/](http://www.boyuan.com.au/corporate_governance/)) in a clearly marked "Corporate Governance" page and be updated as required.