



**WDS LIMITED  
REMUNERATION AND NOMINATION COMMITTEE CHARTER**

**1. INTRODUCTION**

- 1.1 The function of the WDS Limited (WDS) Remuneration and Nomination Committee is to assist the WDS Board in fulfilling its corporate governance responsibilities in regard to:
- (a) remuneration policies for:
    - (i) non-executive directors;
    - (ii) executive directors; and
    - (iii) executive management; and
  - (b) equity participation;
  - (c) certain human resources policies; and
  - (d) other matters to the Committee by the Board.
- 1.2 In particular, the Committee is to undertake the functions of the Remuneration Committee and Nomination Committee referred to in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

**2. MEMBERSHIP**

- 2.1 The Committee is to consist of:
- (a) only non-executive directors;
  - (b) at least three members; and
  - (c) a majority of independent non-executive directors.
- 2.2 All directors are welcome to attend Committee meetings.
- 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 Committee members and the Chairman of the Committee are appointed by the WDS Board in accordance with clause 25.17 of the WDS Constitution.
- 2.5 Committee members may appoint Alternate directors to act as an Alternate member on the same terms as that set out in clause 19.7 of the WDS Constitution.
- 2.6 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. DUTIES AND RESPONSIBILITIES**

#### **3.1 Remuneration related matters**

##### **3.1.1 Remuneration Policies for Non-Executive Directors**

In assisting the Board (and without limiting its scope), the Committee will review and make recommendations to the Board on remuneration policies for non-executive directors following the receipt of external advice as considered necessary from time to time.

It is not the Company's policy to pay bonuses or retirement benefits (other than superannuation) to non-executive directors, nor to issue options to them.

##### **3.1.2 Remuneration Policies for Executive Directors**

- (a) In assisting the Board (and without limiting its scope), the Committee will review and make recommendations to the Board on:
  - (i) short and long-term remuneration for the executive directors and the Chief Financial Officer;
  - (ii) superannuation arrangements for the executive directors and the Chief Financial Officer;
  - (iii) any termination payments to be made to the executive directors or Chief Financial Officer (which are to be agreed in advance and include detailed provisions in case of early termination); and
  - (iv) the development of any equity based plan to apply to the executive directors and Chief Financial Officer.
- (b) In making its recommendations in accordance with clause 3.1.2(a), the Committee should ensure that the remuneration policies:
  - (i) motivate executive directors to pursue the long-term growth and success of WDS;
  - (ii) demonstrate a clear relationship between performance and remuneration; and
  - (iii) involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives to WDS' circumstances and goals.

##### **3.1.3 Remuneration Policies for Executive Management**

- (a) The Committee will review and approve recommendations from the executive directors on short and long-term remuneration (including superannuation) for employees (including performance targets).
- (b) In making its decisions in accordance with clause 3.1.3(a), the Committee should ensure that the remuneration policies:
  - (i) motivate executives to pursue the long-term growth and success of WDS;
  - (ii) demonstrate a clear relationship between performance and remuneration; and
  - (iii) involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives to WDS circumstances and goals.



### **3.1.4 Equity Participation**

The Committee is to review and make recommendations to the Board on the appropriate grant of any equity securities. It is not the policy of the Company to enter into transactions in associated products which limit the economic risk for participants in unvested entitlements under any equity-based remuneration schemes.

### **3.1.5 Human Resource Policies**

The Committee is to review human resource policies and practices for WDS Group employees.

### **3.1.6 Other**

The Committee will consider any other matters referred to the Committee by the Board.

## **3.2 Nomination related matters**

The responsibilities of the Committee with regard to nomination related matters (without limiting its scope) are to:

- (a) review and advise the Board on the composition of the Board and its Committees;
- (b) assess the necessary and desirable competencies of directors;
- (c) ensure the directors have the appropriate mix of competencies to enable the Board to discharge its responsibilities effectively;
- (d) oversee the directors' induction program;
- (e) ensure that directors have access to appropriate continuing education to update and enhance their skills and knowledge;
- (f) develop Board succession plans to ensure an appropriate balance of skills, experience and expertise is maintained;
- (g) review the time commitment required from non-executive directors and whether directors are meeting that commitment; and
- (h) evaluate the collective performance of the Board, the Chairman of the Board, the individual performance of all the directors and senior management.

## **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 twice per year. Committee meetings may however be requested by any member.
- 4.2 A quorum for a Committee meeting is when at least two members are present.
- 4.3 The Company Secretary of WDS will be the Secretary to the Committee and will be responsible for maintaining:
  - (a) minutes of the Committee meetings; and
  - (b) records of any Committee reports or recommendations.
- 4.4 Executive management are to attend such portion of Committee meetings as requested by the Chairman.



## **5. REPORTING**

- 5.1 The Committee is to report on its meetings to the Board.
- 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 Group 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 WDS. 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:

- (a) review this Charter annually; and
- (b) undertake an evaluation of its performance at intervals considered appropriate by the Chairman.