

Nomination and Remuneration Committee Charter

1. Purpose and Objective

The M2 Board is able to delegate its powers to a committee, The ASX Listing Rules require M2 to establish a remuneration committee and ASX Council Recommendations recommend that M2 establish a nomination committee. In that regard, the Board has established the Committee and created this document which aims to:

- ensure the Committee is an efficient mechanism to examine the selection and appointment practices of M2 and M2's policies on remuneration;
- facilitate accountability by the Board and senior managers to M2's shareholders and other stakeholders; and
- ensure the Committee has access to sufficient internal and external resources to perform its roles, responsibilities and functions.

2. Scope

This document formalises:

- the structure of the Committee;
- the roles, responsibilities and functions of the Committee;
- procedural and administrative requirements relating to the requisitioning, convening and conduct of meetings of the Committee; and
- the process for ongoing review of this document for currency and relevance.

3. Key responsibilities of the Committee

The key responsibility of the Committee is to monitor and review, on behalf of the Board:

- the appropriateness of remuneration paid to senior managers and directors, with an emphasis on balancing M2's desire to recruit and retain talent against M2's interests and shareholder expectations in avoiding excessive remuneration;
- the process and procedure for the selection, appointment and re-appointment of directors to the Board and senior managers, with an emphasis on promoting investor understanding and confidence; and
- M2's 'Board Selection Policy' from time to time ("Board Selection Policy").

Further details of the Committees roles, responsibilities and functions are set out below. The powers of the Committee do not exceed the powers available to the Board.

4. Structure of the Committee

Membership structure

- The Committee must be structured as follows:
 - minimum of three (3) members;
 - consist of a majority of independent directors; and
 - be chaired by a director who is independent.
- It is desirable, but not mandatory:
 - for the Committee chairperson to be a director who is not the Board chairperson; and
 - for all members of the Committee to be non-executive directors.

Appointment of members

- The Chair of the Committee is to be appointed by the majority of the Board of directors.
- Subject to the above mandatory membership structure, the Board may appoint any additional members or remove and replace members of the Committee by resolution.
- Members of the Committee may withdraw from membership by written notice to the Board. At all times, the size and independence of the Committee must be such as to enable the Committee to discharge its mandate transparently and effectively.

Qualifications and Experience

In order to be able to discharge its mandate effectively, the Committee should comprise of directors who:

- possess appropriate qualifications and experience; and
- have a variety of perspectives and skills.

5. Roles And Responsibilities of the Committee

Key focus areas

The Committee's two (2) key areas of focus are on:

- nomination practices; and
- remuneration practices.

Nomination

The Committee's nomination role is primarily to ensure that M2 has an efficient, independent mechanism for selection and appointment practices. The following tasks form part of the normal procedures for the Committee's nomination responsibility.

- Review of management succession planning in M2 generally, but paying specific attention in respect of succession planning for the CEO and senior management.
- Consideration of recommendations for appointment and removal of senior management and other employees to or from the senior management team.
- In accordance with the Board Selection Policy, review and make recommendations to the Board regarding appointment of directors, including:
 - assessing, at least annually, the appropriate and desirable size, appropriate mix of skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
 - establishing criteria for Board membership, including establishing processes for the identification of suitable candidates for appointment to the Board, engaging appropriate search firms to assist in identifying potential candidates and where appropriate, nominating appropriate candidates for non-executive directorship;
 - monitoring the length of service of current Board members, considering succession planning issues and identifying likely order of retirement of non-executive directors;
 - monitoring factors which have affected, or may be seen to have affected, the independence of independent directors;
 - establishing processes for the review of the performance of individual directors, the Board as a whole and the operation of committees of the Board; and
 - establishing induction programs and processes; and
 - establishing principles for ongoing training and education programs for Board members to ensure non-executive directors have adequate information regarding operations of the business, the relevant industries and their legal and regulatory responsibilities and duties.

Without limiting the matters to which the Committee may have regard in designing the nomination framework, the Committee must consider the need to:

- have transparent Board selection processes;
- ensure the Board comprises individuals with an appropriate range of skills and expertise;
- enhance director competencies;
- renew and refresh the Board at appropriate intervals;
- ensure that independent directors are truly independent and free from circumstances which may give rise to a personal interest in decision making;

- ensure diversity on the Board, in respect of, amongst other things, gender, age, ethnicity and cultural background; and
- have a Board of a size which is conducive towards making appropriate decision; that is, a size which does not foster a cosy Board but also, does not encourage a dysfunctional and divisive Board.

Remuneration

The Committee's remuneration role is to ensure the level of remuneration strikes an appropriate balance between attracting, retaining and rewarding senior managers and directors and M2's interests and shareholder expectations in avoiding excessive remuneration. The following tasks form part of the normal procedures for the Committee's remuneration responsibility.

- Review and make recommendations to the Board on:
 - total level of remuneration of non-executive directors and individual fees for non-executive directors and the chairperson, including any additional fees payable for membership of committees of the Board;
 - total remuneration package for the CEO, including short term and long term incentives;
 - superannuation arrangements; and
 - remuneration by gender.
- Review and approval of recommendations from the CEO on the total level of remuneration for senior managers reporting to the CEO including their participation in short and long term incentive schemes.
- Review key performance indicators for the CEO and senior management reporting to the CEO.
- Review human resources and remuneration policies and practices of M2, and where appropriate, recommend for adoption by the Board.
- Review disclosures made in the annual report on M2's remuneration policy (the 'Remuneration Report') and details of the remuneration to directors and senior managers.
- Consideration of the implementation and structure of employee share and share option plans.
- Engagement of external independent remuneration consultants in accordance with section 206K of the Corporations Act 2001 (Cth) to review M2's remuneration practices and if required, to provide remuneration recommendations.
- Review any remuneration recommendation provided by a remuneration consultant in accordance with section 206L of the Corporations Act 2001 (Cth).

Policy design

Without limiting the matters to which the Committee may have regard in designing remuneration policies, the Committee must consider the need to:

- motivate senior management and directors to pursue the long term growth and success of M2 through appropriate long term incentives and performance rights;

- motivate senior management and directors to generate short term wealth for M2's shareholders, through appropriate short term incentives;
- demonstrate a clear, cogent relationship between performance and remuneration;
- take all reasonable steps to avoid or minimise the involvement of executive directors in designing the remuneration policies for the directors and senior management; and
- ensure that no person is involved in deciding their own remuneration.

6. Administrative matters

Scheduling of meetings

An annual schedule of Committee meetings will be circulated to each director after approval by the Committee.

Convening of meetings

- Any member of the Committee may, and the company secretary must on request from a member, convene a meeting of the Committee.
- Notice must be given to every Committee member of every Committee meeting but there is no minimum notice period and acknowledgment of receipt by all members is not required before the meeting may be validly held.
- The Committee must convene as often as the Committee members or the Board consider appropriate for the Committee to appropriately perform its responsibilities but at least twice per year.
- Meetings must allow adequate time for preparation of substantive reporting to the Board.

Quorum

- The minimum number of Committee members that must be present at a meeting for the decisions of that meeting to be valid is two (2) independent non-executive directors (Quorum).
- A Quorum is required to be present at all times during a meeting.

Attendance by members

- Each Committee member is expected to attend all meetings. The record of attendances of each member will be disclosed in the directors' report for each financial year in accordance with the Corporations Act 2001 (Cth).
- In exceptional circumstances, the Committee chair may agree to exempt a member of the Board from attending.
- The Company Secretary attends meetings of the Committee as minute secretary.

Attendance by invitees

- The CEO and HR Director are invited to attend Committee meetings.
- The chairperson of the Board may also attend meetings at the Committee chair's discretion, in an ex-officio capacity.
- Other non-executive directors who are not Committee members may attend meetings of the Committee should they wish.
- The involvement of the CEO, Company Secretary and/or HR Director is to be limited to responding to questions and receiving information from the Committee. Such invitees are not to participate in any decisions relating to the remuneration of the directors or senior managers.

Access to management and other resources

To ensure the Committee has the necessary power and resources to perform its roles, responsibilities and functions, the Committee has:

- the right of access to management;
- the right to seek explanations and additional information;
- the right (upon notice to the Board or the chairperson of the Board) to seek the advice of M2's legal advisors in connection with the Committee's responsibilities; and
- the right (with the prior approval of the Board) to instruct the CEO to engage such other independent advisers in relation to any matter pertaining to the responsibilities of the Committee, as the Committee may require.

Record keeping

- Minutes of the meeting of the Committee must be prepared by the Company Secretary.
- Following endorsement by the Committee Chair, the agenda and Committee papers will be distributed to all members of the Committee and meeting invitees in advance of each meeting.
- The chair of the Committee must review the minutes promptly to ensure that they reflect the conduct of the business at the meeting. The minutes, once finalised, must be signed by the chair of the Committee within a reasonable period of time to confirm that they are as a true and correct record. The minutes must be entered into the minute book within one month of the date of the meeting to which the minutes relate

Outcome of meetings: Reporting to the Board

- The Committee chairperson will prepare a report of the actions of the Committee or a copy of the minutes of the Committee meeting will be included in the Board papers for the next Board meeting following a Committee meeting. In such circumstances, the minutes of the Committee meeting will be on the agenda for consideration by the Board and noted in the minutes of the meeting of the Board.
- The Committee chairperson will, if requested, provide a brief oral report as to any material matters arising out of a meeting and any recommendations for board resolution.

- All directors will be permitted, within the Board meeting, to request information of the Committee chairperson or from any member of the Committee.

7. Related documents

Related documents include the Board Charter and Board Selection Policy.

8. Charter: Roles and Responsibilities

The following roles and responsibilities are integral to this charter:

Role	Responsibility
Committee	Implementation and compliance with this Charter, including education/induction of incoming members of the Committee
Board of directors	Appointment of members of the Committee. Oversight of the Committee's discharge of its roles, responsibilities and functions.
Company Secretary	Maintenance and update of this Charter in accordance with an order of the Board or Committee.
